

ANTIGUA PRINTING AND PUBLISHING LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

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**INDEPENDENT ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF
ANTIGUA PRINTING AND PUBLISHING LIMITED**

We have reviewed the Statement of Financial Position of Antigua Printing and Publishing Limited as at 30th June 2016 and the related Statements of Comprehensive Income and Changes in Shareholders Equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our review.

We conducted our review in accordance with International Standards of Review for Small and Medium Sized Entities. Those standards require that we plan and perform our review to obtain reasonable assurance that the financial statements are free of material misstatement. A review is less scope and the depth examination than an audit but includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. A review also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We did not perform an audit

In our opinion, the financial statements set out on pages 2 to 16 which are in agreement with the books of the Company are properly drawn up, so as to present fairly the state of affairs of the Antigua Printing and Publishing Limited at 30th June, 2016 and the results of its operations for the year then ended in accordance with companies law and International Financial Reporting Standards for SMEs.

Emphasis of Matter (Note 14)

The company's registration status has been unclear for several years as its structure and operation is substantially that of a private limited company, however, due to the number of registered shareholders the company registry has suggested that it qualifies as a public company.

Antigua & Barbuda:
24th January 2017


Allen, Thomas & Associates
Chartered Accountants

ANTIGUA PRINTING AND PUBLISHING LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30TH JUNE 2016
 (Expressed in Eastern Caribbean Dollars)

Assets	Notes	<u>2016</u>	<u>2015</u>
Current Assets			
Cash at bank and on hand		206,655	166,782
Accounts Receivable and prepayments	4	544,784	414,069
Inventory and work-in-progress	5	476,845	572,433
		-----	-----
Total Current Assets		1,228,284	1,153,284
		-----	-----
Non-Current Assets			
Plant and Machinery	6	4,244,054	1,407,997
		-----	-----
Total Assets		\$5,472,338	\$2,561,281
		=====	=====
Liabilities and Shareholders' Equity:			
Current Liabilities			
Accounts Payable and accruals	7	481,812	450,808
Note payable		2,000	2,000
Total Current Liabilities		-----	-----
		483,812	452,808
		-----	-----
Non-Current Liabilities			
Shareholders Advance	8	823,325	766,906
Deferred Un-realized Income	9	386,824	-
		-----	-----
Total Non-Current Liabilities		1,210,149	766,906
		-----	-----
Total Liabilities		1,693,961	1,219,714
		-----	-----
Shareholders' Equity:			
Share Capital	10	190,000	190,000
Revaluation Reserve	11	3,761,113	1,468,037
Share Premium	12	100	100
Accumulated Deficit		(172,836)	(316,570)
		-----	-----
Total Shareholders' Equity		3,778,377	1,341,567
		-----	-----
Total Liabilities and Shareholders' Equity:		\$5,472,338	\$2,561,281
		=====	=====

Approved on behalf of the Board:

 : Director

 : Director

The notes on pages 6 to 14 form part of these financial statements.

ANTIGUA PRINTING AND PUBLISHING LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30TH JUNE 2016****(Expressed in Eastern Caribbean Dollars)**

	<u>2016</u>	<u>2015</u>
Sales	1,460,670	1,186,314
Cost of Goods Manufactured and Sold - (Schedule 1) Page 15	(960,995)	(864,747)
	-----	-----
Gross Margin - :34.21%: 2015: 27.11:%	499,675	321,567
Sundry Income	39,318	49,048
	-----	-----
Income Before Indirect Expenses	538,993	370,615
	-----	-----
Indirect Expenses		
Administrative (Schedule 2) Page 16	341,998	306,153
Interest and bank charges	5,349	4,745
	-----	-----
	347,347	310,898
	-----	-----
Profit Before taxation	191,646	59,717
Provision for Taxation	(47,912)	(8,062)
	-----	-----
Total Comprehensive Loss for the Year	\$143,734	\$51,655
	=====	=====

ANTIGUA PRINTING AND PUBLISHING LIMITED**STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**
FOR THE YEAR ENDED 30TH JUNE 2016

(Expressed in Eastern Caribbean Dollars)

	Share Capital	Share Premium	Accumulated Deficit	Revaluation Reserve	Total
Equity at - 30th June 2013	190,000	100	(234,604)	1,468,037	1,423,533
Comprehensive Loss (Page 3)	-	-	(133,621)	-	(133,621)
	-----	-----	-----	-----	-----
Equity at – 30th June 2014 (Page 2)	190,000	100	(368,225)	1,468,037	1,289,912
Comprehensive Income (Page 3)	-	-	51,655	-	51,655
	-----	-----	-----	-----	-----
Equity at – 30th June 2015 (Page 2)	190,000	100	(316,570)	1,468,037	1,341,567
Comprehensive Income (Page 3)	-	-	143,734	2,679,900	2,823,634
	-----	-----	-----	-----	-----
Equity at – 30th June 2016 (Page 2)	\$190,000	\$100	\$(172,836)	\$4,147,937	\$4,165,201
	=====	====	=====	=====	=====

ANTIGUA PRINTING AND PUBLISHING LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Expressed in Eastern Caribbean Dollars)

	<u>2016</u>	<u>2015</u>
Operating Activities		
Net Comprehensive Income for the year	143,734	51,655
Add: Non cash item – Depreciation	49,098	27,073
	-----	-----
	192,832	78,728
(Increase)/Decrease in Inventory and work-in-progress	95,588	(187,269)
Increase/(Decrease) in Payables	31,004	55,619
(Increase)/Decrease in Receivables and Prepayments	(130,715)	(1,667)
	-----	-----
Net Operating Activity	(4,123)	(133,317)
	-----	-----
Investing Activities		
(Decrease) Purchase of Plant and Equipment	(2,885,155)	(1,500)
	-----	-----
	(2,885,155)	(1,500)
Financing Activities		
Increase/(Decrease) Due to Directors	56,419	126,325
Increase/(Decrease) Deferred Unrealized Income	386,824	-
Increase/(Decrease) Revaluation Reserve	2,293,076	-
	-----	-----
	2,736,319	126,325
	-----	-----
Net Increase/(Decrease) in cash	39,873	70,236
Cash Balance - Beginning of year	166,782	96,546
	-----	-----
Cash Balance - End of year	\$206,655	\$166,782
	=====	=====

(Page 6)

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016
(Expressed in Eastern Caribbean Dollars)**1. Incorporation and Principal Activities**

The company was incorporated under section 358 of the Companies 1948 of the laws of Antigua and Barbuda on 25th April 1970 and as amended by the companies Act 1995. It is primarily engaged in offset printing services, the design of stationery, manufacture, sale and distribution of printed products and materials.

2. Basis of Preparationa) Statement of Compliance

The accounting policies primarily follow the guidelines of Antigua Printing and Publishing Limited Financial and Accounting Guidelines. Otherwise, the accounting policies conform to International Financial Reporting Standards (IFRS).

These financial statements were approved by the Board of Directors on 24th January 2017.

b) Basis of Measurement

The financial statements are prepared under the historical cost convention.

c) Functional and Presentation Currency

These financial statements are prepared in Eastern Caribbean Dollars, which was the functional currency of the reporting entity for the financial year under review.

d) Use of Estimates and Judgment

The preparation of the financial statement in conformity with the International Financial Reporting Standards (IFRS) requires the Management to judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Accounting Policiesa) Foreign Currency Translations

Foreign currency transactions during the year have been converted at the exchange rates ruling at the date of these transactions. Foreign currency assets and liabilities at the year-end have been translated at the rates ruling at the Balance Sheet date.

b) Inventories

Inventories are stated at the lower of cost and the estimated net realizable value of separate items.

c) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand and deposits with banks of less than ninety days maturity and bank overdrafts. In the balance sheet, bank overdrafts, are included in current liabilities.

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Continued)

(Expressed in Eastern Caribbean Dollars)

3. Accounting Policies - Continuedd) Plant and Equipment

Fixed Assets are stated at cost less accumulated depreciation. The costs of repairs and replacements of a routine nature are charged to operations, whilst expenditures improving or extending the useful lives of the assets that are capitalized. Depreciation is computed on the straight line basis at rates considered adequate to write off the cost of depreciable fixed assets, less salvage value, over their estimated useful lives. The annual rates are:

Building	2% per annum
Machinery and Equipment	7% per annum
Furniture & Fittings	5% per annum
Computer Hardware	33 ¹ / ₃ % per annum
Motor Vehicle	20% per annum
Container	20% per annum

e) Impairment

The carrying amount of the Company's assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement

f) Trade receivables

Trade receivables are carried at original invoice amount less provision made for the impairment of these receivables. Such provision for impairment of trade receivable is established if there is objective evidence that the company will not be able to collect all amounts due according to the original terms receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

g) Investmentsi) Investment Securities Held to Maturity

Investment securities with fixed maturity profiles where management has both the intent and the ability to hold to maturity are classified as held to maturity. Securities held to maturity are initially recognized at cost and are subsequently re-measured at amortized cost less provision for impairment losses. Interest income earned while holding securities is reported as interest income.

ii) Investment Securities Available for Sale

Investment securities intended to be held for an indefinite period of time, which may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available for sale. Available for sale financial assets are initially recognised at cost and are subsequently re-measured at fair value based on quoted bid prices.

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Continued)

(Expressed in Eastern Caribbean Dollars)

3. Accounting Policies - Continuediii) Un-quoted Investments

Unquoted equity instruments for which fair values cannot be reliably measured are recognised at cost less Impairment. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the Income as gains or losses from investments.

h) Interest - Bearing Borrowing

Interest bearing borrowings are recognised initially at fair value less attributable transaction cost. Subsequent to initial recognition, interest bearing borrowing are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of Comprehensive Income over the borrowings on an effective interest basis.

i) Interest Income

Interest Income is recognised on the accruals basis in the statement of Comprehensive Income, using the effective interest method.

i) Related Parties

A party is related to the Company, if:

Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company (this includes, parents, subsidiaries and fellow subsidiaries); has an interest in the Company that gives its significant influence over the company: or has joint control over the Company;

i) The party is and associate of the Company;

ii) The party is a joint venture in which the Company is a venture;

iii) The party is a member of the key management personnel of the Company or its parent

iv) The party is a close member of the family or any individual referred to in (i) or (iii)

v) The party is the entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vi) The party is a post employment benefit plan for the benefit of employees of the Company or of any Company that is a related party of the Company.

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Continued)

(Expressed in Eastern Caribbean Dollars)

4. Accounts Receivable and Prepayments	<u>2016</u>	<u>2015</u>
Trade Receivables	640,932	511,823
Less: Provision for bad debts	(125,837)	(111,288)
	-----	-----
	515,095	400,535
Withholding Tax	4571	4,571
Staff Loan	84	11,008
Due From TBSL	-	(1,644)
Other Receivable	25,034	(401)
	-----	-----
(Page 2)	\$544,784	\$414,069
	=====	=====
5. Inventory	<u>2016</u>	<u>2015</u>
Paper	250,524	241,926
Less: Provision for obsolescence	(2,000)	(2,000)
	-----	-----
	248,524	239,926
Supplies	133,642	243,918
Spare Parts	71,094	66,327
Work-in-progress	23,585	22,262
	-----	-----
(Page 2)	\$476,845	\$572,433
	=====	=====

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Continued)

(Expressed in Eastern Caribbean Dollars)

6. Plant and Machinery

	Land	Building	Machinery Equip	Furniture Fittings	Computer	Motor Vehicle	Total
Cost							
Balance at beginning of year	653,400	809,500	1,618,734	135,427	3,580	-	3,220,641
Additions	2,395,800	284,100	167,162	4,050	4,225	29,818	2,885,155
Balance at 30/06/2016	<u>3,049,200</u>	<u>1,093,600</u>	<u>1,785,896</u>	<u>139,477</u>	<u>7,805</u>	<u>29,818</u>	<u>6,105,796</u>
Accumulated Depreciation							
Balance at beginning of year	-	286,687	1,397,010	126,574	2,373	-	1,812,644
Depreciation charge for year	-	-	31,645	10,285	1,204	5,964	4,9098
Balance at 30/06/2016	<u>-</u>	<u>286,687</u>	<u>1,428,655</u>	<u>136,859</u>	<u>3,577</u>	<u>5,964</u>	<u>1,861,742</u>
Net Book Values							
30th June 2016	<u>\$3,049,200</u>	<u>\$806,913</u>	<u>\$357,241</u>	<u>\$2,618</u>	<u>\$4,228</u>	<u>\$23,854</u>	<u>\$4,244,054</u>

ANTIGUA PRINTING AND PUBLISHING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016
(Continued)
(Expressed in Eastern Caribbean Dollars)

7. Accounts Payable and Accruals	<u>2016</u>	<u>2015</u>
Trade Creditors	161,701	197,370
Consumption Tax	9,318	249
Social Security	2,946	3,524
Medical Benefits	2,062	2,652
Education Levy	721	3,536
Personal Income Tax Payable	209	238
Payroll Insurance	-	4,103
Provision for Taxation	247,145	181,427
Dividend Payable	25,210	25,210
Other payable	32,500	32,500
	-----	-----
(Page 2)	\$481,812	\$450,808
	=====	=====

8. Shareholders' Advance	<u>2016</u>	<u>2015</u>
Balance (Page 2)	\$823,325	\$766,906
	=====	=====

This amount represents unpaid Directors fees, which has remained unpaid for several years given the company's cash flow over the years, The date of settlement has not yet been determined, but management does anticipate settlement with the next year.

9. Deferred Unrealized Income	<u>2016</u>	<u>2015</u>
Balance (Page 2)	\$386,824	\$-
	=====	====

This amount represents un-amortized Reserves, which relates to depreciable Plant, Property and equipment. The amount will be amortized annually over the remaining life of the related assets.

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Continued)

(Expressed in Eastern Caribbean Dollars)

10. Share Capital	<u>2016</u>	<u>2015</u>
Authorized		
1,900 shares of \$100 each	\$190,000	\$190,000
	=====	=====
Issued and fully paid		
1,900 shares of \$100 each	\$190,000	\$190,000
	=====	=====
 11. Revaluation Reserve	 <u>2016</u>	 <u>2015</u>
Revaluation brought forward 30 th June 2003 from 1977 - Land	341,599	341,599
Revaluation as at: 30 th June 2004 - Land	261,801	261,801
Revaluation as at: 31 st March 2004 - Building	864,637	864,637
	-----	-----
	1,468,037	1,468,037
Deferred Revaluation Surplus	(386,824)	-
Revaluation as at: 31 st March 2016 - Land	2,395,800	-
Revaluation as at: 31 st March 2016 - Building	284,100	-
	-----	-----
(Page 2)	\$3,761,113	\$1,468,037
	=====	=====

The increase in the revaluation reserve resulted from a valuation exercise carried out by Lewis Simon and Partners Consulting Engineers on 6st March 2016.

12. Share Premium	<u>2016</u>	<u>2015</u>
Balance (Page 2)	\$100	\$100
	===	===

The share premium represents the difference between the par value of the shares and the amount paid by the shareholders for the shares.

13. Capital Commitment & Contingent Liabilities	<u>2016</u>	<u>2015</u>
None	\$-	\$-
	===	===

a. Contingent Liability

There is no pending or threatened litigation against Antigua Printing and Publishing Limited as at the financial year end.

ANTIGUA PRINTING AND PUBLISHING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE 2016

(Continued)

(Expressed in Eastern Caribbean Dollars)

14. Related Parties	<u>2016</u>	<u>2015</u>
Directors Fees	33,000	33,000
Directors Advance	823,325	766,906
	-----	-----
Total	\$856,325	\$799,906
	=====	=====

15. Emphasis of Matter

The company's registration status has been unclear for several years as its structure and operation is substantially that of a private limited company, however, due to the number of registered shareholders the company registry has suggested that it qualifies as a public company. Management has disputed that the proposed public company registration and has been trying for several years to have the position regularised.

ANTIGUA PRINTING AND PUBLISHING LIMITED**COST OF GOODS MANUFACTURED AND SOLD****FOR THE YEAR ENDED 30TH JUNE 2016****(Expressed in Eastern Caribbean Dollars)**

<u>Schedule 1</u>	<u>2016</u>	<u>2015</u>
Direct Materials		
Inventory, beginning of year	550,171	374,637
Purchases of materials	231,576	430,471
	-----	-----
	781,747	805,108
Less: Inventory end of year	(453,259)	(550,171)
	-----	-----
Direct Material Consumed	328,488	254,937
Direct Labour	529,468	531,040
Factory Overhead		
Depreciation	31,645	14,405
Light, Power and Water	25,630	32,206
Repairs –Plant	47,088	43,894
	-----	-----
	104,363	90,505
	-----	-----
Manufacturing Costs Incurred During The Year	962,319	876,482
Add: Work in progress, beginning of year	22,262	10,527
	-----	-----
	984,581	887,009
Less: Work in progress, end of year	(23,586)	(22,262)
	-----	-----
	(Page 3)	
	\$960,995	\$864,747
	=====	=====

ANTIGUA PRINTING AND PUBLISHING LIMITED**SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE YEAR ENDED 30TH JUNE 2016****(Expressed in Eastern Caribbean Dollars)**

<u>Schedule 2</u>	<u>2016</u>	<u>2015</u>
Advertising and Promotion	360	403
Accounting fee	15,000	12,000
Bad debt expense	14,550	-
Directors' Fees	33,000	45,000
Depreciation	17,453	12,668
Insurance	42,461	31,929
Legal and Professional Fees	26,276	22,222
Motor Vehicle Operating	19,030	18,825
Office Supplies and Stationery	5,580	5,488
Postage, Telephone and Telex	19,402	16,930
Repairs Office Equipment	685	2,811
Salaries and Wages	109,901	91,093
Bonus	-	8,656
Social Security and Medical Benefits Contributions	7,367	6,503
Pest Control	3,300	3,300
Repair & Maintenance	23,301	21,284
Sundry Expenses	1,552	1,866
Property Tax	1,500	4,500
Donations	305	300
License, Rates and Taxes	975	375
	-----	-----
(Page 3)	\$341,998	\$306,153
	=====	=====