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GUYSUCO'S MISSION

The Mission of Guysuco is to transform a monocultural organisation into a diversified agro-industry, which will not only contribute to the Nation's foreign exchange earnings, but will maximise the benefits of the foreign exchange cost of the Corporation by utilising its resources to produce crops which will help the Nation in its import substitution programme.

As an efficient agro-business, its Mission will be to demonstrate to the communities in which its operating units are located, the techniques developed for the cultivation of various crops. As a well-developed agro-business the Corporation will also continuously strive to refine its products and to utilise the by-products of its operations for vertical integration and expansion.

In its activities the Corporation will work for greater participation and involvement of all the people who comprise its work force in achieving its objectives which have been set in consonance with the philosophy and aspirations of the Nation.

BOARD OF DIRECTORS

Chairman	H B Davis, CCH, MA, B Sc.
Vice Chairman	Yesu Persaud, CCH, FCCA.
Directors	J S L Browman, DECIAF, M Sc, B Sc, DPA. B Chandra, AA, DECIAF. E O S Hanoman, FCCA. I A Mc Donald, AA, MA. D P Sankar F Sukdeo, D Phil, MA, B Sc. W E H Tyrell J R Vieira, AA, CI Agr. E.
Secretary	C J Lawrence

CHAIRMAN'S STATEMENT



1986, in which we celebrated our 10th anniversary, was an exceptionally important year for Guysuco. We turned the substantial losses experienced in the period 1981 – 85 into significant profit. We made good progress in rationalising our sugar operations, and we stepped up our diversification drive. I believe that our financial position is now much more secure. Morale is high. We are more confident than we have ever been that we can stabilise sugar production at a profitable level while seeking an expanding future as a diversified agri-business in accordance with our Mission.

Sugar production slightly improved during 1986. Total production at 245,440 tons was better than 1985's production of 243,000 tons.

We made progress in reducing costs and increasing productivity in our sugar operations. Leonora factory was closed in the middle of the year and I am pleased to report that alternative employment was found for all the factory workers there. A substantial acreage of marginal land was taken out of cane cultivation and by the end of the year the acreage under cane had been reduced to 94,000 acres compared with 108,000 acres at the end of 1985 and 111,000 acres at the end of 1984. Cost control in every area of operation was tightened considerably. Overhead expenditure was reviewed and reduced. All in all, the programme of rationalising our sugar operations made good progress in 1986.

In 1986, we decided that the pace of diversification should be stepped up considerably. A committee of qualified young executives was appointed to accelerate the diversification effort.

By the end of the year a detailed 5-year diversification development plan had been formulated. With the establishment of 250 dairy cattle in a new development at Liliendaal at the end of the year a promising start was made in what is likely to be an important part of our efforts to diversify.

We achieved much better results in marketing. On the local market sales of C.W. sugar more than doubled and revenue increased substantially. We also increased sales to Caricom countries significantly. The weakening of sterling against other EEC currencies, combined with the strength against the US dollar, led to an increase in the price received for EEC quota sugar. We negotiated an improved price for our molasses with the Guyana Liquor Corporation and our revenue from this important by-product benefitted accordingly. Only in the U.S. market were there unfavourable developments. There the decline in quota outlet continued.

Perhaps at this point I should express my firm belief that the market can now sustain production of sugar in Guyana of approximately 250,000 tons. I believe that the trauma of the last few years is over and that sugar production at this level can be marketed profitably into the foreseeable future. Our EEC quota, though under constant pressure from beet interests, has been preserved and has a secure base "for an indefinite period" in the Sugar Protocol of the Lome Convention. The local market is rising towards 40,000 tons. There are good possibilities for increasing sales in Caricom. Because it has already declined by 90% the worst is over in the U.S. market. I am therefore confident that the sweetener industry in Guyana can be stabilised, rationalised and made profitable at a level of 250,000 tons sugar per annum.

Total sales for 1986, including molasses, were \$429.5M compared with \$333.5M in 1985. This revenue improvement owed nothing to the devaluation of the Guyana dollar which took place in January 1987.

With the injection of \$225M in equity from the Central Government and the conversion of the 14% loan to 2% debentures, Guysuco's capital structure was put on a sounder footing. Accordingly, interest payments were reduced to a manageable \$21.6M in 1986 from \$55.7M in 1985.

The result of better cost control, improved revenue, and reduced interest was that we made a major turn-around to profit after 5 years of losses. In 1986 the profit before tax and profit share was \$21.1M compared with a deficit of \$77.6M in 1985. We can be proud of this achievement and I wish to congratulate all managerial and non-managerial workers for their hard work in achieving it. Not the least of the benefits of this significant turn-around in our fortunes is that for the first time since 1974 there will be profit share to be paid to workers. The estimated profit share for 1986 is \$7.2M.

✕ Gross foreign earnings amounted to \$363.8M compared with \$293.5M in 1985. Though foreign exchange remains extremely hard to come by, we were able to improve considerably the

CHAIRMAN'S STATEMENT Continued

supply of spare parts and other material inputs by judicious and timely use of our retention facility. This meant that the improved maintenance of our assets made good progress. In 1987 and the future the rehabilitation of field infrastructure, factory plants, and estate buildings will be a high priority task. The construction of a new building with modern equipment to accommodate our central administrative, technical and laboratory staff will be part of this effort to revitalise and modernise the Corporation in all its aspects.

The shortage of labour, especially labour for harvesting and planting operations, continues to be a major problem. Increased attention is being given to this fundamental problem. Incentive schemes for cane harvesters in particular are being kept under constant review. The pace of mechanisation is being considerably stepped up to counterbalance the declining availability of field labour. In regard to the provision of skills for Guysuco, our apprentice training scheme and education and training programmes as a whole continue to be developed as a top priority. This is another area in which we intend to redouble our efforts in the future.

I should say a few words about the devaluation of the Guyana dollar to the rate of G\$10 to US\$1 which took place on 16th January 1987. First, I should like to re-emphasize that the excellent financial results achieved in 1986 owed absolutely nothing to this monetary adjustment. We achieved our objective of turning the industry around without the benefit of devaluation.

Secondly, the devaluation will serve to increase Guysuco's net income very substantially in 1987. We will need to take advantage of this to accelerate our rehabilitation and modernisation programmes and to step up our diversification efforts.

I wish to thank the Executive President of the Co-operative Republic of Guyana, Government ministers and my fellow directors for their advice, guidance and invaluable support in 1986. Their ready help and co-operation have played a great part in making 1986 such a successful year and will continue to be an essential part of our future achievements.

I think all in Guysuco can take pride in the achievements of the Corporation in 1986, our 10th anniversary year. It is appropriate that such a year should have seen a turning point in our fortunes. I extend my heartfelt thanks to the thousands of workers, managerial and non-managerial, who have loyally served Guysuco and worked so devotedly through the hard times and who now can see some of their hopes coming to fruition.

I believe most sincerely in firmness of purpose, in fair treatment for everyone without fear or favour, and in "consultation not confrontation". On this basis, and on the basis of the success we achieved together in 1986, I believe we can in the future make further great strides in Guysuco for the benefit of all those who work in the Corporation and for the benefit of the nation and the people of Guyana.

REVIEW OF OPERATIONS

SUGAR—FIELD OPERATIONS

Sugar production in 1986 was 245,440 long tons, of which 124,475 tons were produced in the first crop and 120,965 in the second crop. This was marginally higher than the 1985 production of 243,000 tons sugar. 1st crop production was the highest since nationalisation. On the other hand, production during the second half of the year was severely affected by unseasonal rainfall and inadequate labour turn-out. Estate canes accounted for 223,401 tons of sugar in 1986, with farmers' contributing 22,039 tons compared with 216,907 and 26,903 tons respectively for 1985.

Weather conditions during the first crop generally favoured ripening and harvesting of the crop, with the dry spell lasting until early May. Both TC/A and TS/A were higher in the first crop 1986 than in the previous year, but cane quality was poorer. A total of 6,404 acres or 96% of the budgetted cropping area was mechanically prepared in the first crop, and 4,307 acres or 76% of the planned programme was planted in the same period.

Only 2.6% of the acreage scheduled for reaping in the first crop was not completed, but the tons sugar produced (124,475 tons) was above the estimate by 0.2%.

Production in the second crop fell below the projected 149,453 tons by some 28,488 tons or 19.1%, with farmers production being 3,889 tons or 28.1% below their estimate. Although the mid-year rains were not as intensive as on average, the second crop harvesting operations which started in fairly good reaping conditions were hampered by unseasonal rainfall. This commenced in October and continued until the end of the year. The high proportion of wet days during this period partly accounted for the under-achievement of the mechanical tillage and planting programmes in the second crop, to the extent that only 5,782 acres or 74.5% of land were prepared and 6,349 acres or 76.6% of the area scheduled for planting were completed. Lack of adequate tillage equipment to utilise the available opportunity days also contributed to the shortfall in land preparation.

As a consequence of the unfavourable reaping conditions, TC/TS in the second crop was 14.14 or 10.6% worse than projected. Of the acreage scheduled to be reaped, a total of 3,647 acres remained in the ground at the end of the year, for possible harvesting in the first crop of 1987. However, this carry-over was as much the effect of insufficient cane cutters at some locations, as it was of inadequate harvesting opportunity days.

The Corporation's objective of having 90% canes harvested and milled within 48 hours after burning was not achieved by any location in 1986, and undoubtedly had an adverse effect on juice quality.

Land mechanically prepared during the year was 12,186 acres or 84.5% of the budget, compared with 12,944 acres in 1985. Similarly, a total of 10,656 acres representing 75% of the estimate was planted in 1986, compared with the previous year's achievement of 12,326 acres. The ability to complete planting of the available acreage is a strong function of the planters that turn

out for this type of work.

Fertilisers

Fertiliser trials for the major plant nutrients N and K were laid down on all estates during 1986. The objective is to further refine optimum rates of yield increment from fertiliser applications on the various soil types. Micronutrient analyses of foliar samples were also conducted on a number of samples. This project, which was initiated in late 1985, is intended to check on whether micronutrient deficiencies are beginning to show up in cane after prolonged continuous cultivation without additions of the nutrient. No alarming deficiency levels have shown up in foliar samples to date and the programme is continuing.

Land Management:

Flood fallow trials at Wales estate were reaped as plants and first ratoons, with extremely encouraging results. Indications are that a fairly reliable technique for assessing the suitability of soils for flood fallow has been found. Work on the assessment of important physical and chemical properties of major sugar-cane soil series continued. This information would be used to refine existing soil management, to ensure each soil type achieves its best productive potential within profitable economic limits.

Mechanisation Studies:

A positive impact has been made on Guysuco's efforts at finding solutions to the problem of mechanising sugar-cane operations. Pilot fields planted on new field layouts suitable for effective use of agricultural machinery were successfully harvested mechanically. The layouts satisfied all requirements for effective in-field drainage and maintenance of good agronomic practices, while facilitating the use of machines for all cultural operations. Guidelines have been set for conversion of fields from conventional layouts to these new layouts. A programme of accelerated conversion was commenced at Skeldon, Blairmont and East Demerara where the supply of labour continues to be critical. An accelerated mechanical harvesting programme is being prepared for these locations.

Variety Development — Breeding and Selection:

Varietal crosses, seedling extension work and formal variety trials continued at the Variety Testing Station.

The six promising varieties B 70514, DB 70/121, DB 70/279, DB 71/155, DB 69/19 and B 70571 previously distributed to estates for trials, continue to be evaluated on location, and selection will be made for the next stage.

DB 70/47, DB 72/261 and DB 75/159 are promising varieties being extended to field scale on estates for field and factory evaluations.

DB 71/60 and DB 70/172 continue to show good potential as commercial varieties. Some estates are particularly keen to extend these two varieties to much larger acreages, but caution has to be exercised until their ratooning ability is properly tested.

REVIEW OF OPERATIONS Continued

DB 66/113 continues to be our most reliable commercial variety, occupying about 30% of the area under cane in the industry. B 41227, B63118, DB 67/1760, D 158/41 and D 141/46 are the other commercial varieties which are utilised in the current replanting programme on estates.

Plant Protection:

The Unit's capability has been strengthened by the appointment during the year of a Manager and a Weeds Agronomist. Work on biological control continues, and is increasingly directed to the pest regime in the crop diversification programme. The decline in the labour force is reflected in the reduced availability of sprayhands for chemical weed control, and has therefore pointed to the increased mechanisation of this activity, including a more effective utilisation of the agricultural aircraft. The current field conversion to broad beds will afford a part solution by obviating the need for sprayhands to jump drains, while at the same time more use can be made of the tractor boom-sprayers. A new sprayer featuring a low-volume application system is being evaluated to extend field coverage with less effort on the part of the sprayhand. Results have so far been encouraging.

Water Control and Civil Engineering Works:

During 1986, Rose Hall estate's drainage system was substantially rehabilitated. A new fertiliser bond, essentially constructed of local materials was also completed at that location. Two Overhead Sprinkler Irrigation Units were imported during the year and are being evaluated for irrigation of both cane and other crops.

Site preparation to accommodate the new Head Office building in Camp Street was undertaken.

A start was made on the construction of the Girls' Hostel at Port Mourant Training Centre.

The Civil Engineering Division was also involved in supervising the rehabilitation of the Uitvlugt Outfall Complex, and the building of the Corporation's Livestock Complex at Liliendaal on the East Coast Demerara.

SUGAR - FACTORY OPERATIONS:

An overall satisfactory factory performance was achieved for the year 1986. The throughput of 100.17 tons cane per hour was the highest since the year 1981, while the mill reduced extraction of 93.39 was not achieved since 1978.

Factory downtime for mechanical reasons averaged 13.92% of net grinding time, compared with 12.17% for the previous year. Of the ten factories, four were most problematic, and contributed to 60% of the total downtime. Leonora factory with the heaviest downtime has been closed at the end of 1986, and Diamond is scheduled for closure by mid-year 1987.

The low achievement of factory utilisation of 54.39% compared to 55.25% for 1985, was mainly due to factory downtime, and the greater impact of 23.05% out-of-cane.

Process Control:

As a direct result of intermittent grinding, Boiling House Efficiency (BHE) dropped to 96.54, compared with 96.90 in 1985. The tons sugar per ton cane (TC/TS) ratio also worsened from 13.05 last year, to 13.49 for 1986. It must be noted however that, TC/TS of the first crop 1986 was better than the same period 1985.

Sugar Quality:

The out-turn results from our UK/EEC buyers met the required standard and was as favourable as the previous year.

The double-purging system practised at one factory has yielded good sugar colour. This system will be transferred to other locations in 1987, in particular at the location where packaging of local sales sugar will be carried out.

The production of white sugar was over 240% greater than 1985 production, and was 30% of that location's total production for 1986.

Tons white sugar produced in 1986 totalled 6,239, whereas in 1985 the production was 2,583 tons.

Development and Engineering Services:

Greater attention to details at the mills has shown encouraging results. The installation of the reverse rotational knife system-known as the 'wash-board' system at Skeldon, has improved mill performance at that location.

Better utilisation of factory workshops, and the application of the concept of preparatory work have been intensified.

The Equipment Conservation Centre (ECC) has continued to provide useful service. There has been a steady improvement in the quality, standard and volume of work at the ECC. However, it is in need of heavier equipment in order to keep pace with factory demands.

Energy Conservation:

Conservation practices in fossil fuel continued. However, the increased out-of-cane hours hindered our efforts. Usage for 1986 was marginally greater than in 1985.

At two factories where the usage of fossil fuel is particularly high, an air-heater and a modified induced draught (ID) fan were installed to improve the efficiency of the boilers.

MARKETING

1986 was a better year in marketing. Domestically, sales of CW sugar doubled and revenue increased substantially. Carico sales also increased significantly. The weakening of the sterling against other EEC currencies, combined with its strength against the US dollar, led to a considerable increase in the price received for EEC quota sugar.

REVIEW OF OPERATIONS Continued

Only in the US market were developments unfavourable. US sugar policy remained unchanged and the decline in quota outlet continued.

Guyana met all its marketing commitments. The scheduling of ships, in consultation with our marketing agents, to mesh with the progress of production, went without a hitch.

Home Market:

Total sales increased from 28,396 tons in 1985 to 31,242 tons in 1986. Sales of CW sugar more than doubled to 6,239 tons. In March, prices were increased to \$1,568 per ton for DC sugar and to \$1,859.20 per ton for CW sugar. Revenue from the domestic market went to \$50 million.

In 1987 it is planned to package up to 8,000 tons of DC sugar, as part of the programme to provide a better service to customers in the local market.

Caricom and Suriname:

Continuing negotiations with neighbouring countries began to bear fruit. Sales increased from 927 tons in 1985 to 4,616 tons in 1986, and revenue increased from \$0.9 million to \$3.7 million. Particular care is being taken to maintain a high quality standard since this sugar is for direct consumption.

EEC

This market accounted in 1986 for 75% of export volume. While there was no increase in the guaranteed price, favourable developments in internal EEC agro-monetary arrangements meant that unexpectedly high monetary compensatory amounts added considerably to revenue.

We are confident that the EEC quota, which is enshrined "for an indefinite period" in the Sugar Protocol of the Lome Convention, can be fully maintained as the mainstay of our marketing policy.

The agreement to purchase and refine our sugar which we, together with our ACP colleagues, have with Tate and Lyle secures physical access for the EEC quota and provides for the payments of performance and market premiums over and above the basic guaranteed price.

US Market

This market continues to contract from a quota of 30,480 short tons in 1984/85 and 20,592 tons in 1985/86 to the recently declared 10,920 tons in 1987. Given the existing US policy of high protection for its domestic sweetener industry, the most we can expect is that our exports to the US will stabilise at the current low level.



Chairman Cde H.B. Davis is seen addressing senior managers of the Corporation in an exercise which is part of the continuing communication process.

REVIEW OF OPERATIONS Continued

World Market:

In 1986 the world price remained disappointing, though there was some improvement compared with 1985. Sales are only made on the world market when there is a surplus over local, quota outlet, and Caricom commitments. In 1986 we sold 26,250 tons to the U.S.S.R. and 19,684 tons to Canada at world market prices.

Molasses:

A considerably improved price for molasses sold to the distilleries was negotiated in 1986. As a result, the average price received was 95 cents per gallon compared with 26 cents per gallon in 1985. Total revenue increased from \$5.2 million in 1985 to \$20.5 million in 1986.

Guyuco produced 21.6M gallons of molasses in 1986, of which 13.9M gallons were sold to the Caribbean Molasses Company and 7.6M gallons to Guyana Liquor Corporation for distillery use, with the small amount remaining sold to other domestic users.

INDUSTRIAL RELATIONS:

Industrial Relations were much more stable in 1986. 118,489 mandays were lost in 1986, compared with 174,007 mandays in 1985 through work stoppages and strikes. The result was a loss in earnings of \$3.1M compared with \$3.6M in 1985.

Wage increases were implemented at the beginning of 1986 in accordance with the Government/Guyana Trades Union Congress agreement. Additionally, new wage/salary scales and pay adjustments were introduced with effect from 1986-07-01 giving further benefits to workers in the Industry.

Sugar workers earned a total of 70 days' pay under the Corporation's monthly production incentive scheme, compared with 42 days' pay in 1985.

In accordance with the agreement reached with the Trade Unions, workers earned annual production incentive of 4 days' pay for the production of 245,440 tons sugar. However, on the basis of individual performance, Albion, Rose Hall and Blairmont earned 6 days' pay each, while Uitvlugt earned 5 days' pay.

Workers will further benefit under the profit sharing scheme from the profits earned in 1986.

PERSONNEL

Manpower Resourcing:

Over the past five years the Corporation has been experiencing a consistent decrease in its labour force, which continued into 1986. On every estate the actual numbers in employment were below the establishment, but the problem was more pronounced at Skeldon and estates in the East Demerara Triangle.

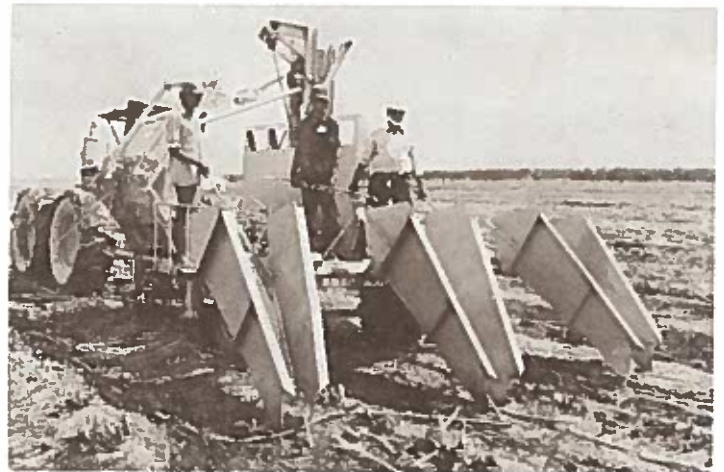
In regard to the Field Department, there has been insufficient manpower to carry out adequately all field operations on the



With a dwindling labour pool the Corporation has been turning its thoughts to the introduction of mechanisation on most of its locations.

Here are two pieces of equipment that went through trials at Diamond in October.

The whole-stalk harvester from CAMECO (above) and the self loading three-row semi-mechanical planter (below) constructed by the Corporation's Field Equipment Experimental Unit (FEEU).



existing cultivable land, and it is not envisaged that there will be an improvement in the current trend of labour shortages, specifically in cane harvesting, planting and shovel work.

Specifically in regard to cane harvesters, Skeldon has 52.0% of its establishment, Blairmont 82.0%, Enmore 69.0%, LBI/Ogle 67.0%, Diamond 41.0%, Wales 52.0% and Uitvlugt/Leonora 60.0%. Blairmont experienced a severe turn-out problem. To a lesser degree, the shortages were also felt in the senior managerial classifications and among craftsmen.

Rationalisation:

In consonance with the Corporation's rationalisation programme, the Leonora sugar factory was closed at the end of the 1986 second crop. Of the 223 persons for whom placements had to be found, no one was declared redundant, and at the end of the year, only seven persons remained to be placed. A decision was also taken to close the Diamond factory with effect from the end of the 1987 first crop.

REVIEW OF OPERATIONS Continued



It was a great year for long distance runner Chandrapaul Sharma of Enmore that led him to being Guysuco's Sportsman of the Year. Sharma also was honourably mentioned for the National award.



National Volleyball player Chumanlal Harjprasad was runner-up to Sharma for the Corporation's award. He had an outstanding series when representing Guyana in Martinique.

Education & Training:

The consistently high turnover of our skilled and other technical personnel informed our technical training activities in 1986.

During the year, special emphasis was placed on training in the management of our financial and other resources in keeping with the objectives of returning the organisation to a state of profitability.

The Corporation continued with its management/supervisory development programme on estates and centrally.

Overseas training attachments also received a boost in 1986, as four senior personnel were given overseas training to provide for certain high level operational needs.

In addition to the usual internal factory training, training of unskilled and semi-skilled employees picked up momentum during 1986, and in the field department a wide range of courses were held for skilled and other technical personnel at various levels in the system.

Because of the intensive mechanisation programme on which the Corporation has embarked, specialist on-the-job training has been done in new field equipment, particularly that used for cane harvesting. Training in the operation and maintenance of equipment for land preparation, field conversion and harvesting will continue with more emphasis in 1987.

The process engineering course was an innovation in 1986. Seven such courses were held. The participants were senior personnel of the sugar factories.

The Corporation's apprenticeship scheme continued to be the backbone for resourcing at the craftsman level. In 1986, 6 apprentices completed their courses and of this number 14 were drafted into the scheme as third year apprentices, having already completed their craft courses at the Government Technical Institute and New Amsterdam Technical Institute. This was the first graduating batch of such apprentices.

Sports/Cultural Activities.

The year was another good one for sports in Guysuco. Despite problems in obtaining certain sports equipment, planned competitions at departmental, inter-estate and regional level were all successfully completed.

On the international scene, our employees participated in athletics, volleyball, bridge and boxing and performed creditably.

Guysuco sports personality function was held in January of 1987 and Cde Chandrapaul Sharma of Enmore estate and Ernestine Wade of Guysuco Training Centre/Port Mourant, together with other athletes, were honoured.

Much effort was placed on resuscitating those drama groups on estates that had become defunct and on recruiting and training



Guysuco's King of the Band — Trevor King of Diamond, leads the Corporation's band — "Beyond the Limits of Sugar", adjudged "Band of the Year" in the 1986 Mashramani festivities.

new members. Several groups were able to organise performances at the local level during our tenth anniversary celebrations.

A special Honours Roll ceremony was held on May 24, 1986, at Rose Hall estate to celebrate Guysuco's tenth anniversary.

Rose Hall emerged champion estate, while Albion estate was awarded the shield for the estate of the decade.

The Corporation's tenth anniversary celebrations presented Guysuco in its totality, focussed attention on the Corporation's diversified activities, and stressed its role as an organisation which now encompasses more than sugar.

Occupational Health and Safety:

The delivery of health care was carried out through the established structural arrangement involving the Ogle Diagnostic Centre and estate dispensaries. The programme implemented ensured that the traditional health needs of all workers were met.

Regular inspection of factories, field workshops and other Guysuco establishments, along with organised training sessions and worksite group discussions were carried out, resulting in continued growing consciousness among managerial and non-

managerial employees concerning environmental health and safety.

In regard to factory safety, there were 147 loss time accidents, July 1985/June 1986, compared with 158 July 1984/June 1985.

In connection with field safety, there were 3,536 loss time accidents, July 1985/June 1986, compared with 3,928 July 1984/June 1985. In both field and factory there were decreases in the number of loss time accidents.

The large number of vehicular accidents was a matter of concern. Active steps have been and will continue to be taken in the training of drivers and the monitoring of their performance.

The Good House Keeping competition in respect of sugar factories and field workshops continued to meet the objective of improving the standard of house keeping and safety.

Albion for the sixth year in succession, emerged winner of the factory competition, while Blairmont won the first place for the third time in succession for the field workshop competition.

REVIEW OF OPERATIONS Continued

Worker Participation:

The workers councils on estates continued to be the main forum whereby non-management workers were able to discuss fully, issues affecting production and workers welfare. Meetings of the various councils were held frequently and the quality of contribution of non-management workers have received favourable comments from management on all locations.

Cde Ian McDonald, Administrative Director, also responsible for Marketing, was the recipient of the Honorary Golden Arrow of Achievement.

Also receiving awards in the Republic Anniversary Honours List were – James Dookhle, Pump Superintendent at Rose Hall; C.E. dos Santos, Chargehand at Diamond; and Hardat, Cane Harvester at LBI – Medals of Service.

Adviser to the Guyana Sugar Corporation ColIn Campbell also received the Honorary Golden Arrow of Achievement.



James Dookhle



Ian McDonald



C.E. dos Santos



ColIn M. Campbell



Hardat



Part of the cultivation at Manaribisi, Skeldon being toured by officials of agencies, is one of the locations under rice in the Corporation's diversification drive.

DIVERSIFICATION:

During 1986 the Corporation's diversification programme was restructured and amplified to ensure its evolution onto an equal basis with sugar activities. Diversification will now be developed at three levels:

1. Crop diversification, i.e. the utilisation of former cane lands, or lands taken out of cane, for the growing of other crops, including livestock and aquaculture.
2. Cane diversification, i.e. the use of cane for purposes other than processing into sugar.
3. By-product diversification, i.e. the conversion of by-products such as molasses and bagasse into products other than those currently generated.

The crop diversification programme is focussed on a number of activities, some of which were started in recent times, some actually considered and successfully undertaken in the 1930's and 1940's but for various reasons later abandoned, while other activities would be new.

During 1986 some 1,500 acres of rice were farmed between Skeldon (600 acres) and Blairmont (900 acres). It is proposed to concentrate further rice development at Blairmont where the

MMA facilities provide for adequate water and its control. Consequently, 4,000 acres per crop of rice will be ultimately developed at Blairmont/Bath during the next four to five years. With this large acreage, the feasibility of setting up a modern rice-mill and drying complex is being considered to handle its own production and possibly some farmers' paddy as well. This project is premised on the fact that Guysuco can export rice directly from Blairmont where adequate port facilities now exist. The Corporation would expect to be the beneficiary of an appreciable part of the foreign exchange thus generated, so that repayment obligations for development funding can be properly discharged.

A grain crops programme is being developed to provide a substantial part of the protein concentrate for Guysuco's proposed livestock activities. Corn, soyabean and sorghum will be grown at Skeldon, Blairmont and on the East Coast Demerara estates to meet this need, and to replace the imported feed concentrate which will be required to sustain the successful establishment of proposed dairy and sheep rearing programmes.

Additionally, most estates will be involved at varying levels in beef production, based on bulls not suitable for breeding and culled heifers. Specialist beef animals like the Jamaica Red Friesian will be incorporated into this programme later on.

REVIEW OF OPERATIONS Continued

During 1986, the dairy units at Rose Hall and Uitvlugt estates were each strengthened by the addition of twenty-five Cuban heifers, and some of the pregnant heifers produced calves during the latter part of 1986.

Guysuco's new dairy complex at Liliendaal was constructed in the last quarter of the year and began operations in December with the arrival of 215 Holstein heifers and 2 bulls from Florida. By the end of 1986, there were already six calves born to the herd.

Provision at Liliendaal was made to accommodate 53 Barbados Black Belly Sheep – 50 ewes and 3 rams – which arrived in early January 1987. These sheep will be the breeding stock for a mutton production unit at that location.

Another dairy herd of imported Holstein heifers is expected to be installed at Versailles on the West Bank Demerara by the middle of 1987, and will form the nucleus of a large dairy complex which ultimately will be processing butter, cheese and ice-cream.

The aquaculture programme will be extended to all estates, and will feature the introduction of crawfish at Blairmont by June 1987, to add to the traditional tilapia and hassar. Fresh water prawns (*macrobrachium*) will be introduced by 1988 into this programme to cater mainly for the export market.

The orchard crops programme will entail extensive citrus cultivation at Uitvlugt. This activity will start with the establishment of a nursery in the latter half of 1987 to provide for the propagation of budded seedlings for field planting later on, and the subsequent development of processing facilities for juice concentrate when fruit production attains the required level.

A Diversified Crops Committee was appointed in November with responsibilities to formulate programmes, monitor activities and advise on strategies to ensure efficient production operations in these crops. The recruitment and development of specialist personnel are also part of the responsibility of this Committee.

Cane product diversification under consideration consists mainly of the use of cane for feeding livestock, either in the fresh state or as ensiled cane – that is cane chopped, compressed and dried, and blended together with other nutrients such as forage legumes, molasses and urea. Indeed, the development of suitably balanced nutrition programmes for the different classes of animals, and based on indigenous materials, is considered crucial to the success of these livestock activities.

The by-products diversification aspect of the programme will be in two major directions:

- (a) the use of molasses for the development of not only ethanol, a gasoline substitute, but yeast and single-cell protein for livestock feed.
- (b) the utilisation of bagasse in a high pressure steam production system for conversion to electrical energy. This system can then be linked to the National Grid to supplement energy derived from bunker C fuel.

A report prepared by an Ethanol Committee set up in early 1986 provides a basis for a full feasibility study into Ethanol production by Guysuco. Funding for this study has been made available by the E.E.C. and work began in March 1987. Pre-feasibility studies have already been conducted on energy co-generation in Guysuco.



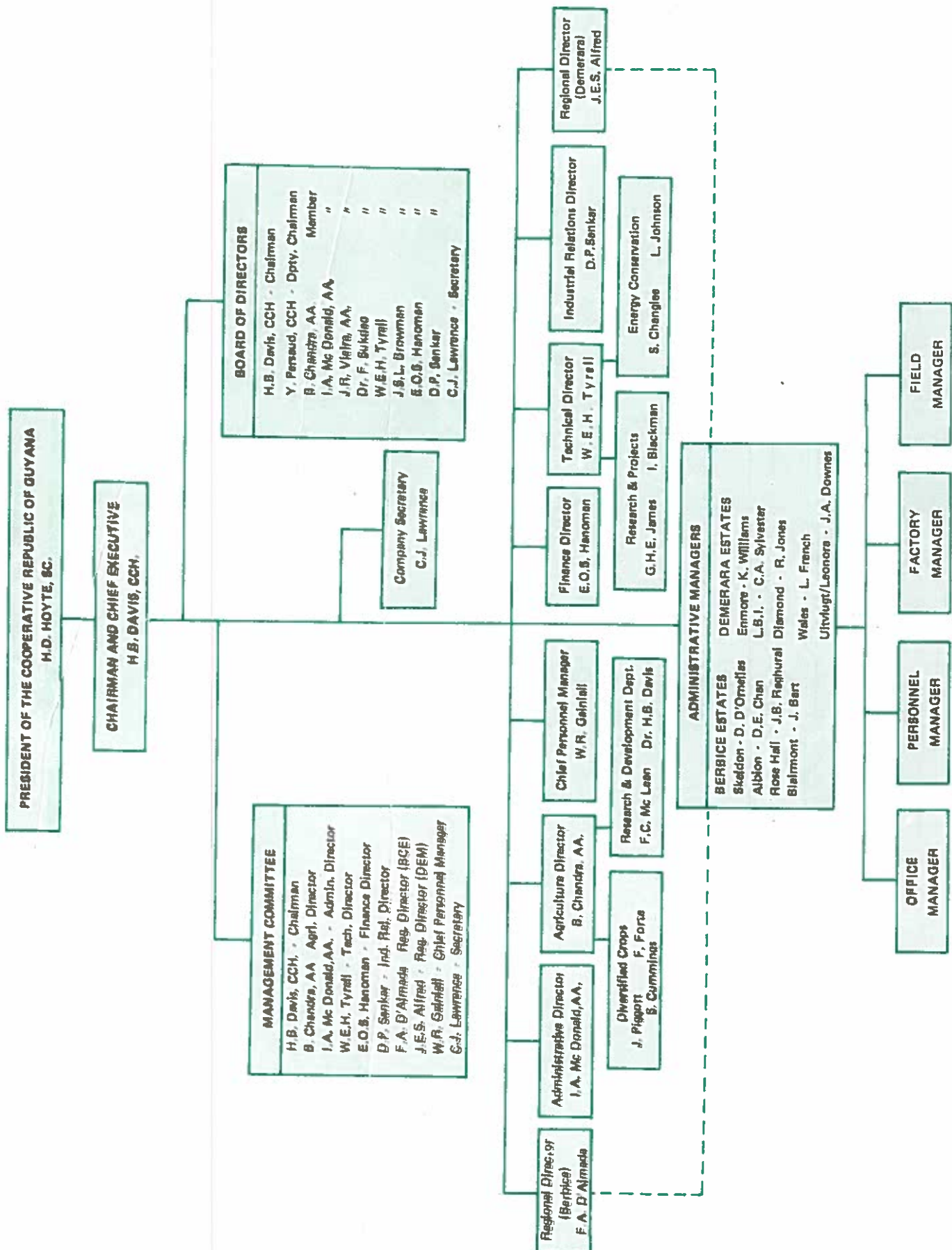
The first delivery of Holstein calves seen at rest at the Liliendaal farm. Over 20 calves have so far been produced by the American-bred Holsteins imported late in the year from Florida, USA.

THE TEN YEAR RECORD

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Number of Factories	11	10	10	10	10	10	10	10	10	10
Acreage Harvested	108,304	137,481	134,030	123,143	136,213	129,609	119,429	125,926	107,526	112,875
Tons Cane Milled - ('000)	3,103	4,218	3,892	3,601	4,125	3,845	3,571	3,469	3,218	3,348
Yield:										
Tons Cane Per Acre	28.70	30.68	29.04	29.24	30.28	29.67	29.90	27.54	29.93	29.66
Tons Cane Per Ton Sugar	12.87	12.99	13.05	13.35	13.71	13.36	14.18	14.34	13.24	13.64
Tons Sugar Per Acre	2.23	2.36	2.23	2.19	2.31	2.22	2.11	1.92	2.26	2.17
Sugar Production (Tons)	241,527	324,805	298,268	269,634	300,790	287,725	251,870	241,861	243,000	245,440
Molasses Production ('000 Gallons)	18,749	26,734	21,774	21,430	23,282	22,957	23,026	21,406	19,506	21,614
Home Consumption - Sugar (Tons)	31,461	31,240	31,501	31,811	36,518	33,193	36,266	34,731	28,396	31,243
Molasses ('000 Gals.)	4,533	8,282	6,748	9,351	10,021	4,785	10,598	8,874	12,240	11,380
Exports - Sugar (Tons)	209,846	292,555	266,311	236,344	262,855	252,542	213,227	205,371	214,543	213,609
Molasses ('000 Gals.)	14,216	18,452	15,026	12,079	13,261	18,172	12,428	12,532	7,266	10,234
Sales - Sugar										
Local - Total Revenue (G\$M)	6.0	7.4	9.8	9.7	11.0	9.9	10.7	26.7	40.4	50.3
Average Price Per Ton (G\$)	190	235	311	304	301	298	295	769	1422	1610
Export - Total Revenue (G\$M)	179.6	239.5	226.3	296.7	285.8	258.8	212.1	271.5	286.6	356.7
Average Price Per Ton (G\$)	856	819	850	1,255	1,087	1,025	994	1,322	1,336	1,670
Molasses - Total Revenue (G\$M)	5.4	14.3	22.0	21.9	19.4	5.6	6.7	7.5	5.2	20.5
Average Price Per Gallon (G\$)	0.29	0.53	1.01	1.02	0.84	0.24	0.29	0.35	0.26	0.95
Expenditure:										
Employment Costs (G\$M)	110.8	150.6	143.6	174.2	196.0	189.3	185.7	201.9	184.3	* 207.6
Materials and other charges										
Excluding Interest (G\$M)	72.8	84.0	85.6	106.2	126.0	115.2	104.5	137.3	171.3	186.5
Operating Results Before Local Subsidy and Interest (G\$M)	7.4	26.8	30.0	48.4	(5.3)	(28.6)	(59.1)	(31.8)	(22.1)	35.4
Local Subsidy (G\$M)	20.4	17.0	17.1	27.8	33.7	32.2	39.1	31.3	-	-
Interest Expense (G\$M)	2.6	5.6	10.9	14.4	22.9	32.4	21.6	39.2	55.7	21.6
Surplus/(Deficit) Before Tax	(15.6)	4.2	2.0	6.2	(61.9)	(93.2)	(119.8)	(102.3)	(77.8)	13.8

* Includes provision for Profit Share of \$7.2M

ORGANISATION STRUCTURE OF THE GUYANA SUGAR CORPORATION LIMITED



REPORT OF THE AUDITORS

TO THE MEMBERS OF
GUYANA SUGAR CORPORATION LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 1986

We have examined the financial statements set out on pages 18 to 27 which are in agreement with the books of the Company and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and included such tests and procedures we considered necessary.

In our opinion, these financial statements give a true and correct view of the state of affairs of the Company at 31 December 1986 and of the net profit and source and application of funds for the year then ended.

THOMAS, STOLL, DIAS & CO.

Member Firm
TOUCHE ROSS INTERNATIONAL
77 Brickdam
Georgetown
Guyana
30 January, 1987

PROFIT AND LOSS ACCOUNT

For the year ended 31 December, 1986

	Notes	1986	1985
		G\$000	G\$000
Sales	2	<u>429,498</u>	<u>333,450</u>
Net profit/(loss) before taxation	3	13,820	(77,800)
Taxation	4	<u>4,071</u>	<u>—</u>
Net profit/(loss) after taxation		9,749	(77,800)
Valuation surplus on disposal of fixed assets transferred from reserves	5	<u>98</u>	<u>221</u>
Profit/(loss) for the year		<u>9,847</u>	<u>(77,579)</u>

STATEMENT OF ACCUMULATED LOSSES

Balance at 1 January	(485,135)	(407,556)
Profit/(loss) for the year	<u>9,847</u>	<u>(77,579)</u>
Balance at 31 December	<u>(475,288)</u>	<u>(485,135)</u>

BALANCE SHEET

As at 31 December, 1986

Notes

1985

		G\$000	G\$000
SHARE CAPITAL			
Authorised			
Ordinary shares of \$1.00 each		<u>500,000</u>	<u>300,000</u>
Issued and fully paid			
498,536,775 (1985 – 273,536,775)			
Ordinary shares of \$1.00 each		498,537	273,537
Capital reserves	5	72,952	70,748
Accumulated losses		<u>(475,288)</u>	<u>(485,135)</u>
Shareholders' funds/(deficiency)		96,201	(140,850)
Deferred liabilities	6	14,885	14,885
Loans and debenture	7 (a)	<u>143,636</u>	<u>143,636</u>
		<u>254,722</u>	<u>17,671</u>
Represented by:			
Fixed assets	8	159,604	152,773
Investments	9	2,989	2,814
Deferred receivables	10	3,789	3,954
Deferred cultivation costs		588	1,390
Net current assets/(liabilities)	11	<u>87,752</u>	<u>(143,260)</u>
		<u>254,722</u>	<u>17,671</u>

H.B. DAVIS Director

E.O.S. HANOMAN Director

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31 December, 1986

	1985			
	G\$000	G\$000	G\$000	G\$000
SOURCE OF FUNDS				
Net profit/(loss)		13,820		(77,800)
Adjustment for items not involving the movement of funds				
Depreciation	15,320		14,098	
Provision for ex-gratia pensions	6,836		5,571	
Unrealised loss on exchange	<u>1,657</u>		<u>1,899</u>	
		<u>23,813</u>		<u>21,568</u>
Funds generated from/(used in) operations		37,633		(56,232)
Funds from other sources				
Share capital	225,000		—	
Receipts from the Sugar Industry Rehabilitation Fund	2,302		2,752	
Refund of ex-gratia pensions	479		560	
Loans received	4,257		4,845	
Disposal of fixed assets	297		742	
Deferred cultivation costs	802		—	
Deferred receivables	<u>—</u>		<u>15</u>	
		<u>233,137</u>		<u>8,914</u>
		270,770		(47,318)
APPLICATION OF FUNDS				
Purchase of investments (net of redemption)	175		349	
Loan repayments	6,798		3,518	
Deferred cultivation costs	—		1,203	
Purchase of fixed assets	22,448		33,450	
Ex-gratia pensions paid	7,150		6,337	
Deferred liabilities	<u>—</u>		<u>278</u>	
		<u>36,571</u>		<u>45,135</u>
		<u>234,199</u>		<u>(92,453)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL				
Inventories		804		22,286
Unsold produce		5,839		13,737
Trade debtors		18,027		(7,537)
Other debtors and prepayments		40,454		(23,030)
Creditors and accruals		(1,094)		(25,677)
External payments deposits		2,300		(2,433)
MOVEMENT IN NET LIQUID FUNDS				
Cash on hand and at bank	(289)		151	
Bank overdraft	<u>168,158</u>		<u>(69,950)</u>	
		<u>167,869</u>		<u>(69,799)</u>
		<u>234,199</u>		<u>(92,453)</u>

NOTES ON THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets.

(b) Fixed assets and depreciation

Fixed assets vested on 26 May 1976 are stated at the book values of the predecessor owners (which were in excess of compensation price by \$50,055,942) less provision for depreciation and amortisation computed on those values. All fixed assets acquired after that date are stated at cost less provision for depreciation and amortisation. The excess of book values over compensation price referred to in the preceding paragraph, was set up as the opening balance of the valuation reserve.

No depreciation is provided on freehold land and livestock.

Stateland is written off as and when the titles are relinquished.

Depreciation on other assets is provided on the straight line method calculated to write off each asset over its estimated useful life as follows:—

Freehold buildings	-	Over 50 years
Leasehold properties	-	Over the lives of the leases
Land expansion costs	-	From 5 to 10 years
Plant Machinery and equipment	-	From 5 to 16 years
Motor vehicles	-	Over 4 years
Aircraft	-	Over 3 years

The value of ratoon crop is recognised only when reaped, thus all costs for this item have been written off at the balance sheet date.

(c) Inventories and unsold produce

Inventories are valued at the lower of cost using the weighted average cost method and net realisable value.

Unsold produce is valued at the lower of cost of production and estimated realisable value less deductions for sugar industry special funds contributions, shipping and selling expenses, where applicable.

(d) Deferred cultivation costs

Cultivation costs relating to non-sugar crops to be harvested in the following year are written-off against revenue in the year in which income is generated.

(e) Research and development

Research and development expenditure is charged against revenue in the year in which it is incurred.

(f) Foreign currency transactions.

Foreign currency transactions are recorded in Guyana currency at the rates of exchange ruling at the dates of such transactions. At the balance sheet date, foreign currency assets and liabilities are translated at the rates of exchange ruling at that date or as agreed by the Bank of Guyana and resulting gains and losses are recognised in the profit and loss account.

NOTES ON THE ACCOUNTS cont'd

(g) Sales

Sales represent the amounts earned from the sale of sugar and molasses produced during the year, net of sugar industry special funds contributions, shipping and selling expenses. Sales also include amounts earned from the sale of other crops produced during the year.

(h) Pension Scheme

- (i) The Company participates in a contributory pension scheme for its employees. The contributions are held in trustee administered funds which are separate from the Company's finances.
- (ii) Employees who have retired and are not members of the pension scheme are paid ex-gratia pensions which are recoverable from the Sugar Industry Price Stabilisation Fund. Any amounts not considered to be recoverable are provided for in the profit and loss account.

	G\$000	1985 G\$000
2. SALES		
Sugar and molasses	427,593	332,123
Other Crops	<u>1,905</u>	<u>1,327</u>
	<u>429,498</u>	<u>333,450</u>
Export Sales Levy		
Amount payable (provisional)	232,091	162,012
Remitted by Government	<u>(232,091)</u>	<u>(162,012)</u>
	<u>—</u>	<u>—</u>
	<u>429,498</u>	<u>333,450</u>

Under Section 6 (1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit G\$232,091,140 (1985 – G\$162,011,609) of the Sugar Levy payable pending amendment of the Sugar Levy Act 1974.

	G\$000	1985 G\$000
3. NET PROFIT/(LOSS) BEFORE TAXATION	<u>13,820</u>	<u>(77,800)</u>

This amount is determined after the following items have been dealt with:-

Depreciation	15,320	14,098
Audit fees	179	170
Property tax	598	—
Loss on exchange	1,629	429
Interest expense – net	21,576	55,660
Research and development	972	1,229
* Provision for ex-gratia pensions	6,836	5,571
Provision for profit share	<u>7,200</u>	<u>—</u>

* This amount is considered to be irrecoverable from the Sugar Industry Price Stabilisation Fund as the accounts of the Price Stabilisation Fund revealed that the amount recoverable from the Fund is greater than the balance in the Fund.

	1985	
	G\$000	G\$000
4. TAXATION		
Income tax at 20%	1,809	—
Corporation tax at 25%	<u>2,262</u>	<u>—</u>
	<u>4,071</u>	<u>—</u>

5. CAPITAL RESERVES

	Sugar Industry Rehabilitation Fund	Valuation	Total
	G\$000	G\$000	G\$000
Balance at 1 January 1986	21,988	48,760	70,748
Receipts from Sugar Industry Rehabilitation Fund	2,302	—	2,302
Valuation surplus on disposal of fixed assets transferred to Income Statement	<u>—</u>	<u>(98)</u>	<u>(98)</u>
Balance at 31 December 1986	<u>24,290</u>	<u>48,662</u>	<u>72,952</u>

6 DEFERRED LIABILITIES

	1985	
	G\$000	G\$000
Guyana Agricultural Products Corporation	1,319	1,319
Demerara Sugar Company Limited	<u>13,566</u>	<u>13,566</u>
	<u>14,885</u>	<u>14,885</u>

It is intended that these liabilities will be settled by the issue of ordinary shares to the shareholders of these companies.

7. LOANS AND DEBENTURE	G\$000	1985 G\$000
(a) Government of Guyana		
This loan was granted to the Company in 1984 and was converted on 1 January 1986 to a convertible 2% debenture redeemable in the year 2000.	<u>143,636</u>	<u>143,636</u>
(b) Current – Repayable within one year		
(i) Tennant Guaranty Limited		
Loan II. A U.S. dollar loan with interest payable at the rate of 7.25% per annum and an additional 1.5% per month on amounts due but unpaid.	2,531	2,387
Loan III. A U.S. dollar loan with interest payable at the rate of 7.25% per annum and an additional 1.5% per month on amounts due but unpaid. The Guyana dollar equivalent has been deposited with the Central Bank.	7,995	7,541
(ii) Chase Bank International – Chicago		
A U.S. dollar loan with interest payable at the rate of 9% per annum and an additional 1% per annum on amounts due but unpaid.	602	568
(iii) Lloyds Bank Limited		
Loan I. A Sterling loan with interest payable at the rate of 7.5% per annum on the outstanding balance.	2,115	1,953
Loan II. A Sterling loan with interest payable at the rate of 7.25% per annum on the outstanding balance.	11,215	10,352
The Guyana dollar equivalent has been deposited pending approval from the Central Bank.		
(iv) Local Insurance Companies and others	<u>367</u>	<u>2,908</u>
	<u>24,825</u>	<u>25,709</u>

All external loans are guaranteed by the Government of Guyana.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS cont'd

8. FIXED ASSETS

	Total	LAND AND BUILDINGS		State	Land	Plant	
		Freehold	Leasehold	Lands	Expansion	Machinery	Livestock
	G\$000	G\$000	G\$000	G\$000	Cost	& Equipment	G\$000
Cost or Valuation							
At 1 January 1986	262,509	47,357	2,635	18,799	10,915	182,803	—
Additions	22,448	1,968	1,106	—	—	17,981	1,393
Disposals	<u>(1,661)</u>	<u>(14)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,647)</u>	<u>—</u>
At 31 December 1986	<u>283,296</u>	<u>49,311</u>	<u>3,741</u>	<u>18,799</u>	<u>10,915</u>	<u>199,137</u>	<u>1,393</u>
Comprising:							
Valuation	108,191	32,387	2,549	18,799	6,441	48,015	—
Cost	<u>175,105</u>	<u>16,924</u>	<u>1,192</u>	<u>—</u>	<u>4,474</u>	<u>151,122</u>	<u>1,393</u>
	<u>283,296</u>	<u>49,311</u>	<u>3,741</u>	<u>18,799</u>	<u>10,915</u>	<u>199,137</u>	<u>1,393</u>
Depreciation							
At 1 January 1986	109,736	2,893	953	—	7,402	98,488	—
Provision for the year	15,320	457	56	—	407	14,400	—
Retirements and disposals	<u>(1,364)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,364)</u>	<u>—</u>
At 31 December 1986	<u>123,692</u>	<u>3,350</u>	<u>1,009</u>	<u>—</u>	<u>7,809</u>	<u>111,524</u>	<u>—</u>
Net book values:							
At 31 December 1986	<u>159,604</u>	<u>45,961</u>	<u>2,732</u>	<u>18,799</u>	<u>3,106</u>	<u>87,613</u>	<u>1,393</u>
At 31 December 1985	<u>152,773</u>	<u>44,464</u>	<u>1,682</u>	<u>18,799</u>	<u>3,513</u>	<u>84,315</u>	<u>—</u>

GUYANA SUGAR CORPORATION LIMITED
 NOTES ON THE ACCOUNTS cont'd

	1985
	G\$000
9. INVESTMENTS	
Lochaber Limited:	
1,280 Ordinary shares of \$20.00 each - at cost	23
Cane Farming Development Corporation Limited:	
18,500 'B' Ordinary shares of \$5.00 each (This Company is in liquidation and provision has been made for possible losses arising therefrom).	31
Livestock Development Company Limited:	
55,000 Ordinary shares of \$1.00 each - at cost	50
Government of Guyana Defence Bonds	475
Emile Woolf College of Accountancy (Guyana) Limited:	
10,000 Ordinary shares of \$1.00 each - at cost	10
National Bank of Industry and Commerce Limited:	
200,000 stock units of \$1.00 each - at cost	200
* Deposit on shares in National Edible Oil Co. Ltd.	<u>2,200</u>
	<u>2,989</u>
	<u>3,000</u>

* Represents part of purchase consideration for assets sold which would be settled by the issue of shares. These shares have not yet been issued.

10. DEFERRED RECEIVABLES

*Sugar Industry Price Stabilisation Fund:

Ex-gratia pensions less provision	3,789	3,951
Loans to employees	-	3
	<u>3,789</u>	<u>3,954</u>

* This amount represents ex-gratia payments made to pensioners and is recoverable from the Special Funds Committee in accordance with the Sugar Industry Special Funds Act, Chapter 69:03.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS cont'd

1985

	G\$000	G\$000
11. NET CURRENT ASSETS/(LIABILITIES)		
Inventories	144,332	143,528
Unsold produce	32,236	26,397
Trade debtors	24,362	6,335
Other debtors and Prepayments	61,977	21,523
* External payments deposits	11,963	9,663
Cash on hand and at bank	<u>506</u>	<u>795</u>
	<u>275,376</u>	<u>208,241</u>
Creditors	60,668	64,771
Accrued interest	53,482	48,285
Loans repayable within one year (Note 7 (b))	24,825	25,709
Taxation	4,764	693
Bank overdraft (secured)	<u>43,885</u>	<u>212,043</u>
	<u>187,624</u>	<u>351,501</u>
	<u>87,752</u>	<u>(143,260)</u>

* Represent monies deposited with the commercial banks pending approval from the Central Bank to remit to overseas creditors.

	G\$000	G\$000
12 FUTURE CAPITAL EXPENDITURE		
Expenditure authorised by the Directors and contracted	<u>28,005</u>	<u>—</u>
Expenditure authorised by the Directors but not contracted	<u>27,995</u>	<u>50,000</u>

13 POST BALANCE SHEET EVENT

On 16 January 1987 the Guyana dollar was devalued from US\$1.00 = G\$4.40 to US\$1.00 = G\$10.00. The effects of this devaluation on assets and liabilities denominated in foreign currencies have not yet been quantified.

STATEMENT OF EMPLOYMENT AND COMMUNITY COSTS

	1984	1985	1986
	\$M	\$M	\$M
EMPLOYMENT COSTS			
Direct Employee Benefits			
Wages and Salaries	174.4	158.8	171.7
Incentive Payments	4.7	4.8	* 14.4
Other Employee Benefits	22.8	20.7	21.5
Labour Transport Costs	9.9	9.5	10.1
	<u>211.8</u>	<u>193.8</u>	<u>217.7</u>
COMMUNITY COSTS			
Central Government Taxation and Levies	1.9	.5	5.3
Local Government Rates and Taxes	1.0	1.2	1.3
Local Sugar Sales Subsidy	31.3	—	—
Sugar Industry Special Funds	5.4	5.7	5.7
Community Services	1.3	1.6	1.8
	<u>40.9</u>	<u>9.0</u>	<u>14.1</u>
Total	<u>252.7</u>	<u>202.8</u>	<u>231.8</u>
Number of Employees	28,104	27,364	23,214
Tons Sugar Produced	241,861	243,000	245,440

* Includes provision for Profit Share of \$7.2M

GUYANA SUGAR CORPORATION LIMITED



22 Church Street, Georgetown, Guyana.

Telephone 66171. Cables 'SUGARCANE' Georgetown, Guyana. Telex GY 2265

Auditors	Thomas, Stoll, Dias & Co. Member Firm Touche Ross International 77 Brickdam Georgetown
Bankers	The Guyana National Co-operative Bank National Bank of Industry and Commerce Limited Barclays Bank PLC
Marketing Agents	Bookers Sugar Company Limited 177/179 Southwark Bridge Road, London SE10EE England.
Solicitors	Clarke and Martin 7 Brickdam & Manget Place Georgetown.

