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DIRECTORS

The Board of Directors comprises:-

Served throughout 1992, retired 1st July 1993:-

Mr. M.A.J. Brassington, A.A. - Chairman
Mr. P.E. Fredericks, C.C.H., J.P.
Mr. J.R. Vieira, A.A.

Appointed 1st July 1993:-

Mr. V. Oditt - Chairman
Mr. R. Ali
Mr. D. Ramotar

Served throughout 1992 and remained in office:-

Mr. G.N. Hilary - Chief Executive
Mr. I.S. Hamilton, A.A.
Mr. B. Newton
Mr. R.M.D. Glasford

AUDITORS

The Auditors, Messrs. Deloitte & Touche, have indicated their willingness to continue in office and have offered themselves for re-appointment.

BY ORDER OF THE BOARD

A.L. LANCASTER
SECRETARY
6TH AUGUST, 1993

CHAIRMAN'S STATEMENT

Mr. Vickram Oditt, Chairman of the Board

This is my first statement as Chairman of GUYSUCO, and it is therefore particularly gratifying to be able to report that 1992 was an extremely successful year. Some of the highlights are:-

- highest sugar production since 1986
- highest cane and sugar yields for a decade
- highest land preparation and planting for the last two decades
- highest ever profit before levy and taxes in both G$ and US$ equivalent terms
- EC and US quotas filled, local, Caribbean and world markets supplied
- US$ 127 million generated in foreign exchange for the country
- over G$2 billion of capital invested in the industry
- G$ 5 billion cash flow generated

Other noteworthy achievements include :-

- significant reductions in time lost due to factory breakdown, with factory time efficiency and overall time efficiency both increasing by over 8%
- energy plants produced over 50,000 Mega-watt Hours in the year, an increase of 17.5% over 1991
- the Hope/Enmore drainage complex was completed at a cost of G$ 50 million
- the culvert at No. 83 Village Public Road at Skeldon, which provides drainage for more than 6,000 acres of sugar cane, was completely rebuilt at a cost of G$ 25 million.

PROFIT FOR THE YEAR

The Corporation made a profit (before sugar export levy and taxation) of G$ 5.4 billion, equivalent to US$ 43.2 million. This represented :-

- 87% of the profits generated by all publicly-owned corporations for the year
- earnings per share of almost G$11
- over 70% increase on the previous year
- a return of over 100% on shareholders" funds.

This comfortably eclipses the previous highest profit since nationalization, which was the equivalent of US$ 10.8 million in 1989. This is a very substantial achievement and the Board and I wish to record our appreciation of the efforts of all the management, staff and workers of the Corporation who made it possible.

CAPITAL EXPENDITURE

Total capital expenditure for the year was G$ 2 billion, although this was less than our budgeted expenditure of G$ 2.7 billion due to the non-availability of certain loans and credits. Of the actual expenditure, the equivalent of G$ 1.5 billion was incurred in foreign currency. The analysis of expenditure by category was

	G$M
- Freehold Buildings	123
- Agricultural Equipment	716
- Cane Punts	195
- Factory Equipment	427
- Drainage & Irrigation	149
- Transport	212
- Other	193

Funds available for capital expenditure have been obtained with the objective of securing production capability at the Corporation's eight estates at current rated factory capacities in the short term.

MANPOWER

The Corporation's most important resource continues to be its workforce. GUYSUCO employs over 28,000 staff, which requires a considerable volume of human resource management. There were 31 new managerial appointments, including some Guyanese nationals returning from overseas.

Sixty six apprentices graduated from the Apprentice Training Centre; 56 Education Bursaries were awarded; our programme for the revitalization of occupational Health and Safety throughout the industry developed apace; a program was instituted to place more emphasis on preventative health care, and an intensive program of education and preventative action effectively contained the incidence of cholera across the industry.

GUYSUCO hosted a major 8-week seminar sponsored jointly by the University of Guyana and the University of Texas Medical Unit on "Issues in Health Management, with particular reference to the Caribbean." Four Community Centres were refurbished and reopened during the year, continuing the Corporation's drive to improve the social infrastructure in the sugar belt.

It is disappointing to report that mandays lost through strikes and work stoppages increased from 117,000 in 1991 to nearly 200,000 in 1992. Wages lost through work stoppages were G$ 83 million compared to G$ 23 million in 1991.

THE CORPORATION'S MARKETS

The EC Sugar Protocol quotas seem secure, and there is a good chance of obtaining additional access at a premium price to the Portuguese market, which it is hoped will become available in the near future. Guyana expects to obtain at least 28,000 tonnes of this market.

The price to be realized for EC sugar is more problematical, however, in view of the European Community's stated intention of reducing the guaranteed price to its own farmers and ACP producers. The price has already been frozen in ECU terms for two years, and the abolition of MCA'S and consequent green pound revaluations have recently led to an effective reduction in price. We look to the Government, the SAC and other ACP producers to put maximum pressure on friendly EC members to ensure that compensatory payments are received to offset at least part of the consequent reductions in our revenue.

It is particularly important to realize that the export price for our products will decrease in G$ terms. It is therefore critical that the industry should be able to contain unit costs, and achieve productivity improvements. Failure to do this will result in reduced funds being available for essential maintenance and replacement of assets.

In this context it is disappointing to note that the industry was faced with the reimposition of consumption tax on vital inputs. We now pay as much as 30% tax on spares for equipment which cannot be produced in this country and which are vital to the industry.

The Caribbean market continues to be a promising outlet for our products, as long as individual countries apply the CET against imports from countries outside of CARICOM. We look to the Government and the SAC to ensure that CARICOM industries continue to receive this deserved support.

The NAFTA agreement makes it likely that Guyana's US quota, now slightly over 11,000 long tons, may disappear as Mexico gains more favourable access to the North American market. We will continue to attempt to safeguard the position of CARICOM producers through the CBI sugar group, but we may have to recognise that this important market is under threat in the medium term.

I became Chairman on 1st July 1993, succeeding Mr. Michael Brassington who had served as Chairman since October 1990. At the same time Mr. Donald Ramotar and Mr. Ronald Ali were appointed directors in place of Mr. P.E. Fredericks and Mr. J.R. Vieira. Messrs. I. Hamilton, G. Hilary, B. Newton and M. Glasford remain as directors.

We owe a great debt of thanks to the retiring Chairman and Directors and we wish them well for the future. I am confident that the new directors and I, with the support and experience of the continuing directors, will be able to lead this great corporation forward to ever greater achievements.

VICKRAM ODITT

GEORGETOWN
29th JULY, 1993

REPORT OF THE DIRECTORS

The Directors submit their report for the year ended 31st December 1992.

PRINCIPAL ACTIVITY

The principal activity of the Corporation was the growing of sugarcane and the production of sugar and molasses therefrom.

SUGAR PRODUCTION

The statistics of sugar production, compared with the previous year, were:-

	1992	1991	Change
Total acres harvested	99,891	93,307	+ 7.0%
Tons of sugar	243,010	159,690	+ 52.0%
Tons cane per acre	31.06	24.58	+ 29.9%
Tons sugar per acre	2.43	1.71	+ 42.0%

FINANCIAL RESULTS

The turnover for the year was G$ 17.4 billion compared with G$ 13.4 billion in 1991, an increase of 29%. After export sales levy the profits were G$ 394 million and G$ 58 million respectively.

The net profits before taxation were arrived at after making provision for -

	1992 G$ M	1991 G$ M
Ex-gratia pensions	76.0	44.5
Audit fees	2.0	1.7

The charge for taxation was G$ 78 million compared with G$ 13.9 million in 1991.

The net profit after taxation was G$ 316 million compared with G$ 44.3 million in 1991.

EXPORT SALES LEVY

The Export Sales Levy for 1992 amounted to G$ 4.97 billion compared with G$ 4.3 billion for 1991.

RETAINED PROFITS

The retained profit for the year was G$316 million, which was set against the negative reserves of G$ 330 million brought forward, leaving G$ 14 million negative reserves carried forward.

REVIEW OF OPERATIONS

AGRICULTURAL OPERATIONS

Production and Weather

Sugar production in 1992 was 243,010 tons, an increase of 83,320 tons, or 52 percent, over production in 1991 and 32 percent above the 183,721 tons budgeted for production in 1992.

Sugar production was the highest since 1986, when 245,400 tons were produced. In 1986 223,400 tons came from 100,794 acres of estate lands at mean cane and sugar yields of 30.1 and 2.21 tons per acre respectively and farmers supplied 22,000 tons.

The mean cane and sugar yields in 1992 at 31.0 and 2.46 tons per acre respectively were the highest achieved on GUYSUCO's lands in the past decade.

The weather was significantly better than in the later years of the 1980s and it is pleasing that field developments and improvements in the availability of plant and machinery since 1990 placed the industry in a position to capitalise on this good fortune.

The period of relatively dry weather which commenced in mid-1990 continued throughout 1992 when the average rainfall of the industry was only 78 percent of the historical average annual total.

As a result of the relatively low rainfall and following significant excavation works in 1990/91 the drainage systems were not over-loaded in 1992. The crops thus developed without significant restriction while relatively dry weather, particularly during the latter part of the second crop, allowed the cane to accumulate higher levels of sucrose than had been the norm for the recent past. This, together with greatly improved cutting and loading standards and more timely deliveries, contributed to a tons cane/tons sugar ratio that was better than at any time in the past decade.

CANE AND SUGAR PRODUCTION - 1992 PRODUCTION

Estate Production	1st Crop	2nd Crop	Year	Budget	1991
Acres Reaped for Mill	38,147	54,056	92,203	93,930	86,397
Tons Cane Milled	1,136,126	1,727,238	2,863,364	2,443,091	2,123,886
Tons Sugar	90,909	135,995	226,904	172,573	148,654
TC/A	29.8	32.0	31.0	26.0	24.6
TS/A	2.38	2.52	2.46	1.84	1.71
TC/TS	12.50	12.70	12.62	14.16	14.29
Tons Sugar from Farmers	4,581	11,525	16,106	11,148	11,036
Total Tons Sugar	95,490	147,520	243,010	183,721	159,690

RAINFALL (INCHES)

	1992	1991	1990	Average Historical
January	5.46	5.93	14.51	7.05
February	4.26	1.66	5.51	3.46
March	2.93	2.56	8.92	3.91
April	1.74	8.76	14.74	5.87
May	11.12	4.41	8.62	10.35
June	8.04	10.62	9.04	11.67
Total 1st Crop	**33.55**	**33.94**	**61.34**	**42.31**
July	8.97	10.73	11.15	9.82
August	8.17	9.99	8.83	6.76
September	1.61	5.55	1.05	3.01
October	1.68	3.13	1.43	3.18
November	2.21	2.68	5.78	5.01
December	5.11	8.48	15.22	8.76
Total 2nd Crop	**27.75**	**40.56**	**43.46**	**36.54**
TOTAL YEAR	**61.30**	**74.50**	**104.80**	**78.85**

Land Preparation and Planting

Acres - Estate Lands - 1992

	1st Crop	2nd Crop	Year	Budget	1991
Land Preparation	9,748	13,436	23,184	20,328	14,278
Planting	7,904	11,919	19,823	19,841	13,058

The relatively dry weather, with a commensurately high number of opportunity days, coupled with high availability of machinery enabled the GUYSUCO estates to prepare more land for planting than in any of the past 20 years, with the budget for the year being exceeded by some 14 percent.

Planting was allowed to continue to mid-December at which time the ambitious budget planting target had almost been achieved. The area planted was, as with land preparation, the largest achieved in any of the past 20 years.

At the end of the year 94, 287 acres of estate lands were under cane and 7,456 acres were prepared and under wet fallow of one form or another for planting in 1993. This gratifying position will certainly facilitate the attainment of the budget planting target in 1993.

During the year new equipment to the value of US$3.0 million was received. Particularly important were 13 hydraulic excavators and 13 D6 SA crawler tractors. Orders were placed for plants and vehicles valued at US42.7 million and it is anticipated that this equipment will arrive before the middle of 1993.

Variety Development

Breeding & Selection

DB 66113 (30.3 per cent of cane area) and B 41227 (19.1 percent) continued to occupy the largest areas of any commercial varieties and DB 66113 was planted to a greater extent than any other variety in 1992 (3,314 acres or 16.7 percent of area planted). There was however significant extension of the relatively new varieties DB 7047 (12.7 percent of area planted) DB 7160 (13.4 percent) DB 75159 (12.6 percent) and DB 7869 (14.5 percent) during the year. This widening of the commercial crops' genetic base can only improve the industry's potential to meet any future pest and disease challenges. At the same time the less successful varieties B 63118, D 141/46, DB 671760 and DB 72261 were being phased out of production.

Fuzz arising from the 1991 breeding programme gave rise to 120,307 seedlings in 1992, one of the more successful results of recent years.

Plant Protection

The 1992 crops were free from significant disease infestation while the only major pest problems were posed by a prolonged outbreak of froghopper during the second crop at Enmore and an increase in rat populations towards the end of the second crop at Albion. Although the latter development is a worrying indication of the potential for rat migration from rice lands to cane fields it should not overshadow the fact that rat populations at the end of 1992 appeared to be at their lowest for several years.

An industry-wide survey indicated that on average 4.2% of cane joints were damaged by Diatraea larvae which compares well with the level of 4% generally regarded as that which should cause concern. The Berbice estates showed higher damage levels than the Demerara estates.

Very low recovery of Allorhogas in the field indicated that this parasite is unlikely to control Diatraea. Studies with Cotesia, another parasite of Diatraea, started during the year with specimens supplied by the Caroni Research Station in Trinidad.

The sulphonyl-urea/herbicide, Ally, replaced undiluted 2,4-D amine on environmental safety grounds for control of Antidesma weed.

A nursery of Vetiver grass was established at GARU. Material from this nursery will be used to plant hedges around fields to assess their effects on Antelope/Missouri and Tanna grasses as well as on rodent incursion into fields.

Protective clothing for spray teams was evaluated during the year. Spray personnel have shown a preference for a custom-designed overall developed specifically for the tropical environment, Dunlop long boots and nitrile gloves.

As regards sugar cane diseases, the major varieties continue to show only low levels of smut infection under field conditions, indeed, of 1.6 million stalks surveyed only 0.21 percent were diseased. Inoculation trials revealed DB 82208 as most susceptible of the newer varieties now in trial.
Sufficient inoculum of the Xanthomonas bacterium has now been prepared to allow the reaction ratings to leaf scald disease of the major varieties to be established in 1993.

An industry-wide survey of commercial cane fields did not detect the causal organism of Ratoon Stunting Disease. However, the leaf scald pathogen was widely detected. Some, indeed most, of GUYSUCO's varieties are carriers of the pathogen, but possess sufficient inherent resistance to suppress symptom expression. It is likely that susceptible varieties are eliminated very early in the selection process, through natural infection, and do not therefore present a problem in the management of the disease.

The Formulation Plant at Ogle produced 38,280 gallons of 2,4-D amine in 1992. Rat-bait formulation at the plant has been reduced as a result of the extensive use of Klerat and Storm pre-formulated baits.

Research Projects and Activities

Central Laboratory

The Central Laboratory processed 12,963 samples compared with 9,324 samples in 1991. The irregular electricity supply caused malfunctions to several instruments including the Saccharomat.

The laboratory lost 8 staff members including 4 senior technicians. This placed considerable strain on the remaining experienced personnel. During 1992 new Atomic Absorption and UV/VIS spectrophotometers were acquired. The

Laboratory was registered in the International Plant Analytical Exchange programme coordinated by the Department of Soil Science and Plant Nutrition of Wageningen Agricultural University. This programme has great potential benefit since there is much shared information of new analytical techniques as well as an independent assessment of the reliability of laboratory results.

Cane Nutrition

Recommendations for supplementary fertilizer application were made for 21,452 acres compared with 14,241 acres in 1991. In both years some supplementary application was based solely on visual assessment. This practice was stopped in the second half of 1992. A review of foliar sampling methods was undertaken and training sessions were conducted on each estate to ensure that the required methods were followed.

Phosphate nutrition received particular attention to further establish the impact of low grade phosphate lime on long term phosphate availability, which is now known to extend to the third ratoon crop in the majority of sugar cane soils. A paper on "The Interactions of Phosphate Rocks with Sugar Cane Soils" was accepted for publication in "Tropical Agriculture."

Land Management

The Montrose ridge-and-furrow pilot project was reaped in its second year. Average yield of the plant cane fields which had been subjected to a 9 month flood fallow was 44.5 tons cane per acre at 3.3 tons sugar per acre while the first ratoon fields (not previously flood fallowed) yielded 34.3 tons cane per acre. Soil pit examination indicated that drain spacing was not critical to the development of the extensively mottled structure characteristic of flood fallow, which in these fields was pronounced down to 24".

The fertilizer rate and mode of placement trial in MT6A was harvested at the first ratoon. The mean yields highlighted in Table 1 indicate that mode of placement did not influence yield at the higher fertilizer application rates but had a positive influence on yield at the standard application rate of 5.5 cwt NPK per acre.

Table 1

MODE	5.5 cwt NPK	7.0 NPK
Surface	32.3	39.0
Banded	35.7	38.0

The row spacing/land preparation experimental blocks in Non Pareil W 78A - 90 were reaped out of cycle at age 69 weeks. Yields averaged 49 TCA, with no significant response to row spacing differences. Among the positive features of this trial were 12 weeks excellent weed control obtained with Treflan as a preplant incorporated herbicide and the effectiveness of reduced tillage using the Howard paraplow. The paraplowed fields had good distribution of roots at depth. As a result of these observations formal trials with the implement were put down on clay soils at Diamond and on organic soils at Uitvlugt. Further trials on contrasting soils at LBI and Blairmont are planned for 1993.

Interactions between varieties and row spacing in ridge and furrow fields are being investigated at Enmore in Foulis Emp. 26-30 following a 4 year legume/sorghum rotation programme. There was no clear evidence that spacing was a major factor of final yield although F1 29 at 48" spacing recorded the highest yield while F1 26 at 66" spacing gave the lowest. (Table 2).

Table 2

Plant Crop Yield Plant Population Trial F1 26-30

Field	Spacing (ins)	TCA	TSA
F1 26	66	33.0	1.97
F1 28	36	44.8	3.20
F1 29	48	58.5	4.26
F1 30	60	44.2	3.25

Physiology and Biochemistry

Commercial ripener trials were conducted on six estates. The majority of these evaluated the effects of Round-up and Fusillade Super applied at various times during the first and second crops. Ripening effects were discernible when the chemicals were applied early in the crop but were less significant in dry weather.

Both Round-up and Fusillade were generally effective but Round-up gave the more consistent and larger incremental increases in brix and pol. However, Round-up dried out foliage to the extent where "band availability" to harvesters posed problems. There were two inconclusive trials in which an Ethrel/Fusillade combination was evaluated.

STATISTICAL UNIT

The staff of Statistical Assistants and Clerks continued to provide an excellent service to all Head Office departments. This service has been considerably enhanced by the initiative taken by the staff to acquire training in the use of the Personal Computers. There has been appreciable progress in the storage on discs of data previously recorded manually and kept in conventional files.

Biometric services in the form of advice on the design and analysis of agricultural experiments were provided to the Technical staff by the Director, Agriculture Research, in his professional capacity, to maintain the standard of experimentation and research capabilities.

AIRCRAFT DEPARTMENT

A fleet serviceability of 75% was maintained throughout the year and 90% of the planned total rehabilitation programme of a second Thrush Commander had been achieved by the end of the year. This was a direct result of the much improved aircraft spares supply.

The fleet achieved 613 hours 15 minutes flying time of which 304 hours 31 minutes were for passenger transport and 210 hours 50 minutes for agricultural operations.

A total of 32,806 acres of sugar cane was treated for the year by GUYSUCO's Thrush Commander, which applied herbicides and fertilizers to 17,592 and 15,214 acres respectively. Because only one agricultural aircraft was available throughout the year the services of a private operator were utilized to treat a further 5,239 acres with herbicides and 7,779 acres with fertilizers making 22,831 acres sprayed with herbicides and 22,993 acres fertilized in all.

In 1993, the Department is expected to have three licensed aircraft maintenance engineers and a second proficient agricultural pilot.

HYDRAULICS DEPARTMENT

The refurbishment of water control structures continued and the culvert at 83 village Public Road bridge at Skeldon, draining some 6,000 acres, was completely rebuilt at a cost of G$25.1 million. The Hope/Enmore drainage complex was completed, at a cost of G$50 million. Other control structure rehabilitation works, some still in progress, included the construction of new aqueducts at Kilcoy (Albion) Lochaber (Rose Hall) and Foulis (Enmore) and the continuation of work on the Strathspey sluices at Enmore. The Lorenzo aqueduct at Wales was completely and quickly rebuilt following subsidence in this vital sector of the estate's transport system.

In addition to work on water control structures, the civil engineers were involved in the refurbishment of staff housing, sports and community centres throughout the industry and of the Ogle Diagnostic Centre.

Routine maintenance of drainage and irrigation systems continued throughout the year but much remains to be done to bring these systems to the point that a routine five-year programme can maintain them at a satisfactory standard.

DIVERSIFIED CROPS

Rice

The Blairmont Rice Mill Complex was divested in April 1992, and at that time the new owners Kayman Sankar Ltd assumed control of all activities, including the stock of rice, paddy and bran that were in place at the time. Apart from the sale price of the plant and farm which was transferred for US$3.5m, the stock on hand realised some G$16m when a mutually accepted value was agreed.

Livestock Operations

Milk production during 1992 at the two main dairies at Versailles and Liliendaal, of 88,253 and 68,064 gallons respectively, showed at Versailles a considerable reduction on the previous year when 123,615 and 66,831 gallons respectively were produced. The average animal productivity in 1992 of 1.11 gal/cow/day milk at Versailles and 2.07 gal/cow/day at Liliendaal reflected a declining production trend and is as much a function of the reduced quantity and quality of the forage fed as the lack of feed concentrates that were generally available. Pasture rehabilitation and drainage, particularly at Versailles, have been seriously lacking for want of capital inputs, and evidently had a negative impact on the adequate supply of good forage. Indeed, to provide for part of the requirements at Versailles dairy, forage from Liliendaal had to be regularly transported to Versailles during the year. This necessary operation as it turned out had a particularly undesirable consequence. The Versailles herd which had been previously free of tick infection, developed tick fever among animals that were in poor condition.

The mortality level of production cows rose during the latter part of the year with the animals succumbing mainly from tick fever, in the absence of adequate drugs to apply prophylactic treatment on animals pre-disposed to infection. There was a prolonged period during the third quarter of the year when the well at the Versailles dairy was out of order. The stress on the animals resulting from lack of adequate potable water during this period had a further debilitating effect on their performance. Among breeding cows the mortality rate at Versailles was 16.1%, compared with an overall level of 11.6%, out of an opening stock of 800 head of cattle and a closing stock of 797. 300 calves were born during the year at Versailles, of which there was a 14.3% mortality.

The low rainfall during 1992, together with Liliendaal's capability to apply flood irrigation at times to the pastures ensured that there was a reasonable and accessible supply of forage most of the year at that location. This provided adequate forage for the animals at the location as well as a supplemental supply for the Versailles dairy. The favourable weather facilitated mechanical harvesting of grass to an appreciable degree, and catered for the production of silage from the excess forage. The access of Liliendaal's herd to a relatively adequate supply of forage was reflected in the higher milk productivity level than at Versailles, but the attainment of its potential level could not be realised for want of suitable and adequate feed concentrates.

The Liliendaal herd having been previously exposed to tick fever is now adapted to local conditions, and in consequence mortality among breeding cows has been reduced to 9.6%. There was a 15.4% mortality among the 146 calves born during the year, but herd stability of 320 animals was maintained in 1992 through culling, transfer of bulls and some calf sales.

Lamb mortality among the Black Belly sheep flock was particularly high due in part to the effects of increasing in-breeding. With the pending disposal of the sheep unit no further attempt was made to infuse new genetic material in the breeding stock, in the form of local cross-bred rams. At the beginning of the year the sheep flock size was 383 animals. There were live animal sales of 193 sheep during the year, realising just under one million dollars, and the closing stock was 274 sheep after accounting for lambs that survived. The average litter size was 2.23 lambs per lambing, of which 48% of the lambs were twins, and the average lambing interval was 240 days. The high prolificacy rate, a particular virtue of the Black Belly breed, has placed the Liliendaal sheep in great demand as breeding animals and it is advocated maintaining a pure stock of some animals for breeding purposes at a suitable location in Guyana.

Cheese production at the Dairy Processing Unit at Versailles Dairy Complex continued with an improved and consistent quality product. Versailles Dairy's milk for processing was supplemented by supplies from Liliendaal whenever available, thus enabling a production of 74,438 lbs (33,836 kg) of Cheddar Cheese in 1992, compared with 71,109 lbs the previous year. Butter production was minimal on account of the low demand for skimmed milk, a by-product of the process. However, a small quantity of low-fat cheese was processed for the diet-conscious market from the resulting skimmed milk.

The Dairies not only increased sales of breeding bulls to dairy farmers during 1992, but for the first time on an appreciable scale disposed of breeding cows, heifers and female calves that were designated culls or excessive to need. Thirty-four (34) breeding bulls and one hundred and forty-seven (147) female animals were sold to local farmers during the course of the year realising a revenue of some $2.8m. The effect of this infusion of Holstein blood into the local genetic pool will no doubt be manifested in due course in the improved production potential of dairy animals on the coast.

Transfers of bulls to Uitvlugt for beef-fattening continued from Versailles and Liliendaal Dairies to the extent of 86 young bulls during the year. Uitvlugt estate thus maintained its capability to supply beef on a regular basis to the estate community and head-office staff.

Other Crops

The two minor diversified crop activities of tilapia and citrus at Blairmont and Uitvlugt respectively have continued as localised programmes on those estates. Production of citrus at Uitvlugt was generally modest, although there was an evident abundance of limes from trees planted for root-stock material and as wind-breakers. Tilapia production at Blairmont showed an appreciable decline, mainly as a result of increasing predation of a varied nature. There is a real danger of losing the red-hybrid specie of tilapia that was specially imported from Jamaica and which had shown considerable potential as a high-valued fish.

FACTORY OPERATIONS

Factory operations during 1992 benefitted from a much improved cane supply, thus contributing to a more stable and continuous operation on most estates.

Increases in the cane supply, the largest crop since 1986, also presented a challenge to factories due to the advanced age of most of the installed machinery. Factory staff met this challenge well, not only processing the cane but returning improved recoveries.

Improved industrial relations continued throughout the year contributing to a stable work force.

General points affecting Factory Operations and Efficiencies:

(1) Finance for spare parts and limited capital plant replacements improved during 1992. Finance for major factory rehabilitation is still not in place. Machinery is now another year older and difficult to maintain.

(2) Factory staffing has shown some improvements over the year as management trainees take up line responsibilities. Most managerial vacancies are for process technologists and steps are being taken to recruit and train suitable graduates.

(3) Cane quality, and in particular supply, showed a dramatic increase during 1992.

(4) Three new turbo alternators at Albion, LBI and Uitvlugt were successfully commissioned during the year and will contribute to stable operations on these estates.

(5) The boiler failure which occurred in September 1991 at Enmore, was successfully repaired and commissioned in time for the Second Crop 1992.

Process Control

During 1992, 3,081,033 tons of cane were processed. This compares with 2,293,131 tons for 1991 and is an increase of 34.4%

Sugar produced for the year was 243,010 tons compared with 159,690 for 1991, an increase of 52.2%.

The comparative increases in yield between cane and sugar is accounted for, once again, by improved cane quality (pol in cane) and improved factory recoveries (mill extraction and boiling house recoveries).

The consolidated Factory Recoveries for 1992 compared with those of 1991 are as follows:

	1992	1991	% CHANGE
Cane Ground (Tons)	3,081,033	2,293,131	+ 34.4
Sugar Made (Tons)	243,010	159,690	+ 52.2
TC/TS	12.68	14.39	+ 13.2
Pol % Cane	10.15	9.31	+ 9.0
Fibre % Cane	19.49	19.30	+ 1.0
Mixed Juice Purity	78.52	77.35	+ 1.5
Grinding Rate TCH	103.96	102.72	+ 1.2
Mill Extraction %	88.97	87.65	+ 1.5
Boiling House Recovery	85.74	83.64	+ 2.5
Overall Recovery %	76.29	73.31	+ 4.1
Factory Time Efficiency	87.03	80.54	+ 8.1
Overall Time Efficiency	70.56	62.31	+ 8.2

Increases in the overall time efficiency are mainly due to improved cane supplies. The 1992 time lost out of cane at the factories was reduced by 770.53 hours, compared with 1991.

The time lost due to factory breakdown also showed a significant reduction of 944.24 hours, while the actual grinding hours increased from

22,369 hours in 1991 to 29,629 hours in 1992.

Contributing factors to the improved mill extraction were higher rates of imbibition applied at the mills, and more attention to the mechanical fitness of the milling plants.

The increases in boiling house recoveries are due to improvements in molasses exhaustion, a reduction of 1.2% on pol in cane made in 1992. Also a reduction in undetermined losses of 0.44% pol in cane.

Improved factory recoveries resulted in an increase in overall recovery of 4.1%, this increase equates to 10,141.9 tons of sugar.

Development and Engineering

Upgrading of maintenance standards continued during 1992. Much attention being paid to repairs to the milling plant in an attempt to return the mill headstocks back to their original dimensional accuracy.

A re-evaluation of maintenance standards as applied to the steam generation plant on all estates, was undertaken during the mid-year maintenance period, with the aid of a boiler specialist from Thorne International Boiler Services Ltd. Follow-up visits are planned for 1993.

More capital has been made available for engineering projects. These have included the following:

(1) Replacement of a 160 ft chimney at Skeldon.

(2) Redesign and installation of steam pipework associated with turbo alternators at Albion, LBI and Wales.

(3) New high grade centrifugals installed at Albion.

(4) New low grade centrifugals installed at Albion, Blairmont and LBI.

(5) Installation of electronic load cells on the cane scales at Albion, Rose Hall, Blairmont, Enmore and Wales.

(6) Specification and procurement of 75 pumping sets for various duties at all factories.

(7) Major repair of the No. 3 boiler at Enmore.

(8) Purchase and installation of 4 x 400 KW high speed diesel generator sets at Rose Hall (electrical supply of Canje Creek pumping sets), Enmore and Demerara Sugar Terminal.

Energy Production & Fuel Utilization

A total of 50,012 Megawatt Hours was produced by existing plants during 1992 and reflects an increase of 17.55% increase on 1991.

Steam plants produced 27,376 MW hours, 27.27% increase on 1991.

Diesel plants produced 22,636 MW hours an increase of 8.6 % on 1991 and utilized a total of 1,492,816 gallons of dieselene, 4.54% up on 1991.

These trends reflect a better load utilization on diesel engines as fuel conversion improved from 68.54 gallons MW Hour in 91 to 65.95 gallons/MW Hour in 92, a gain of 3.8%.

Blairmont and Skeldon returned good steam power utilization with 92.43% and 89.51% of their in-crop needs met by steam generated power.

With the commissioning of the new turbo alternators at Albion, LBI and Uitvlugt towards year end, it is expected that our diesel fuel usage will drop significantly during 1993.

SUGAR MARKETING

1992 was a favourable year in sugar marketing. Indeed, circumstances combined to give above average overall results.

A recovery in production from 129,920 tons in 1990 to 243,010 tons in 1992, transformed prospects in the market-place in a number of ways.

After suffering shortfalls in meeting the EEC quota in three successive years, this quota was fully shipped for the quota period 1991/92. Moreover, as a result of making up ground lost in 1991 in the first half of 1992 and also from bringing forward 1993 shipments into the second half of 1992, EEC quota shipments in calendar 1992 were particularly high.

The opportunity was also taken to resume shipments of US quota sugar which had been discontinued in 1989 and both 1991/92 and 1992/93 quotas were filled in the 1992 calendar year.
In 1992, after importing sugar for domestic consumption since 1989, GUYSUCO was able by mid-year to resume meeting local needs with local production, thus ending a considerable embarrassment in the industry. A small amount of refined sugar for industrial use will continue to be imported until the White Sugar Plant at Uitvlugt resumes operation.

In 1992, for the first time since 1987, GUYSUCO shipped sugar to Canada and thus re-entered a market which traditionally has been by far the leading non quota market.

In 1992, it again proved possible to offer brown sugar from Guyana for sale in CARICOM countries, which had not been possible since 1988. It will take time to wean CARICOM countries from extra-regional suppliers with whom they have established links but a start was made in 1992 with sales of 792 tons to Grenada and 955 tons to Dominica. Management will pursue opportunities for selling sugar in CARICOM now that there are better prospects of a common market, with established external tariffs becoming a reality.

These developments combined to make 1992 an exciting and fruitful year. It can be seen as marking the beginning of an era of greater opportunity in sugar marketing prospects.

Sales Report

Tabulated below is the overall sales report for 1992.

MARKET	TONNAGE (LONG TONS)	PRICE (G$ PER LONG TON)
EEC	173,939	78,896
USA	28,217	54,461
CANADA	7,824	24,204
CARICOM	1,747	37,835
GUYANA	19,914	49,416

Local Market

Total sales in the local market were 19,914 tons of which 18,057 tons were brown sugar (7,331 tons imported) and 1,857 tons refined sugar (all imported). As the economy recovers it is expected that domestic sales, especially in respect of industrial users, will increase.

EEC Market

Guyana's force majeure claim in respect of the third successive shortfall in meeting EEC quota in 1990/91 was accepted and Guyana met its full commitment for the quota period ending 30th June, 1992. Thus, after a dangerous lapse of three years, Guyana re-established itself as a major supplier in this all-important market.

In the second half of 1992 Guyana was asked by the UK refiners to accelerate shipments because of other suppliers' shortfalls at the time. As a result, Guyana shipped more EEC quota sugar than normal in the second half of the year and total shipments amounted to 174 000 tons for calendar year 1992 - a figure which is unlikely to be repeated in future years.

The basic EEC price, which is negotiated annually with effect from the 1st July, was again frozen in 1992. The overall effect of currency fluctuations both within the EEC and in the relationship between the pound sterling and the US dollar yielded a higher than estimated price in Guyana dollars for EEC quota sugar in 1992.

During 1992 the EEC was in the throes of reviewing the whole Common Agricultural Policy including the sugar regime. It was hoped that a revised regime, including new arrangements for the ACP supply of sugar to Portugal, would have been agreed by the end of 1992 for implementation for the 1st July, 1993. However, the diversion of attention caused by the long-drawn-out GATT trade talks led to the review of the sugar regime being rolled over for a further period.

US Market

Guyana resumed shipments of US quota sugar in 1992 after failing to meet this commitment for three years. In fact Guyana shipped both its 1991/92 US quota of 15 077 tons and its 1992/93 US quota of 13 140 tons in the calendar year 1992 and will therefore not ship sugar to the US again until the new quota year begins in October, 1993.

In 1992 the North American Free Trade Agreement between the US, Canada and Mexico was signed. According to this agreement, after a transitional period of six years, Mexico could obtain virtually unlimited access to the US sugar market which would in practice eliminate the US as a quota market for Guyana and other current quota-holders. Efforts to safeguard the position of Caribbean sugar producers will continue to be made through the CBI sugar group.

Supplying the CARICOM Market: Marketing Services Manager, Kirk Douglas, and officials of St Vincent Marketing Corporation signing a contract for supply of sugar.

Caricom Market

Guyana is now in a position to meet the brown sugar requirements of Dominica, St. Lucia, St Vincent, Grenada and Antigua, as well as Barbados which is now importing sugar to meet its domestic requirements. It has been agreed that a CET of 40% should be applied in Caricom in respect of extra-regional sugar. Exports of Guyana's sugar clearly should benefit from the implementation of this tariff and it is hoped that it will be put in place in all the countries involved during the first half of 1993. Discussions are proceeding with all the countries involved and it is hoped that arrangements can be made for the regular supply of Guyana brown sugar to all the countries at a price which is fully competitive with the world sugar supplies taking into account the Caricom tariff.

Discussions are also proceeding with Caroni in Trinidad with a view to Guyana supplying Caroni with brown sugar for refining in the Caroni refinery which has spare capacity to meet the requirements for refined sugar in the Caricom islands. Such an arrangement will depend on the implementation of the CET for refined sugar in the Islands.

World Market - Canada

For the first time since 1987 Guyana had a sugar surplus after domestic needs and quota requirements and therefore was able to ship sugar to the world market. 7 824 tons of sugar were supplied to Canada which tends to be the preferred world market destination because of favorable freight rates, a small Commonwealth preference obtained, and prompt and reliable payment.

Prospects

The marketing prospects are reasonably promising. Sales in the local market should gradually increase. It is important to ensure that the industry continues to obtain a remunerative price and does not fall again into subsidizing this product domestically.

If CARICOM is serious about establishing a common market, with external tariffs, then there is no reason why Guyana should not capture a market of 20,000 tons or more in the Islands at a price of approximately US$50/60 per ton over world price.

Despite the pressures to reduce price, evident in both the review of the sugar regime in the EEC and in the GATT trade negotiations, if the ACP stands fast in negotiations at the highest level it may be possible to limit price reductions to 10-15% over the next five years and obtain compensatory payments to offset at least part of this reduction.

As for access, Sugar Protocol quotas seem secure and there is a very good chance of obtaining additional access at a premium price in the EEC by way of the Portugal market becoming available in the near future. For CARICOM countries this new market could amount to 80,000 tons annually and Guyana could obtain as much as 40,000 tons of this amount.

The US market is more problematic. If NAFTA goes ahead then in a few years the current quota regime may well disappear and the US will then have to be considered as just another world market. Currently, Guyana's quota is about 13,000 tons so what is at risk is a relatively small outlet.

PERSONNEL

Human Resource Management

There was marked improvement in this area of activity. At the level of managerial staff there were 31 new appointments. A significant percentage of contracts included academically qualified Guyanese several of whom returned from overseas.

Junior Staff appointments numbered 226. There were 179 promotions. Significant improvements were achieved in the management of apprentice training generally, and in the re-organization of the Apprentice Training Centre, in particular. 66 apprentices graduated during the year.

Other categories of trainees included newly recruited Shift Managers, Foremen, Charge-hands and Sugar Boilers.

Assistance in Education

Fifty-six Education Bursaries were awarded to the value of $441,000. Nine cadets were on training overseas during the year, while three returned and assumed substantive duties.

Nine awards were made to allow candidates to complete the two year Diploma at the Guyana School of Agriculture.

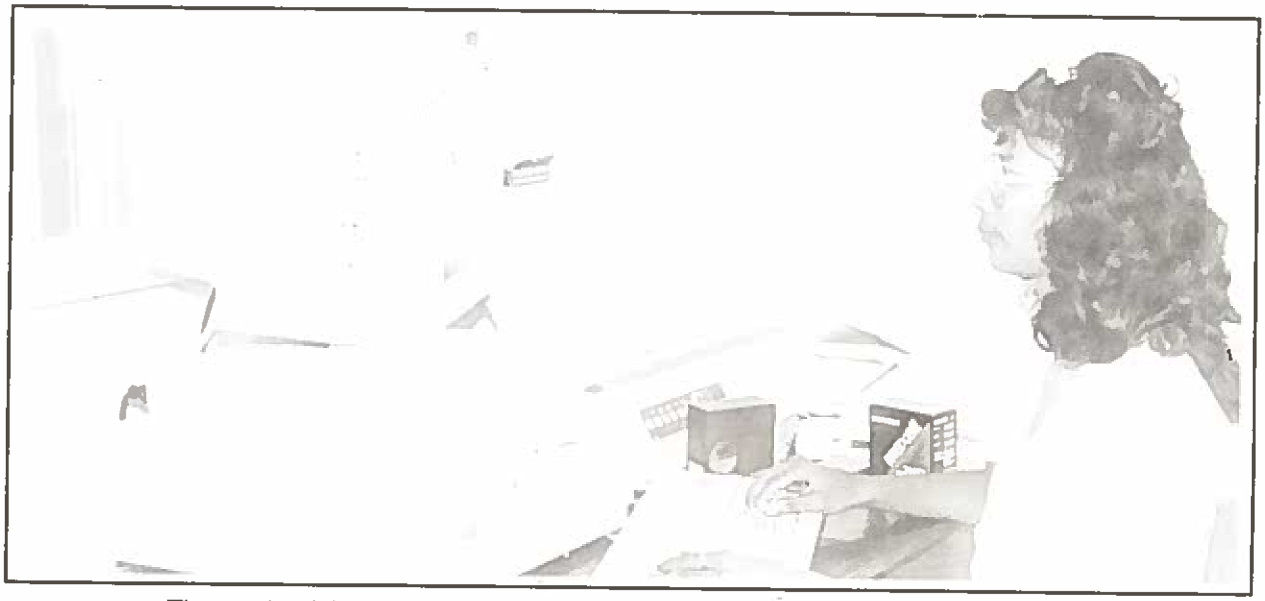
Training

There was a wide range of training in the following disciplines:

- Management Development
- Training of Trainees
- Accounting
- Para-Medical
- Secretarial
- Agricultural Engineering
- Factory Maintenance

OCCUPATIONAL HEALTH AND SAFETY

GUYSUCO's programme for the revitalization of occupational health and safety throughout the industry developed apace.



The modernising impact of technology: the movement towards computerization is gathering momentum throughout the industry.

A range of Seminars were conducted for managerial staff. Other areas of training included:

- Safe Driving
- Ambulance & Emergency Care
- First-Aid

- Fire Prevention

Estate Safety Committees were also re-established. However, the increase in accidents which occurred in the Field was as a result of the substantial increase in recruitment of agricultural workers, particularly inexperienced cane harvesters. There were two fatal accidents during the year.

HEALTH SERVICES

The Health Services were effectively managed throughout the year. With a full complement of medical officers, a programme was instituted to place more emphasis on preventative health care. However the persistent shortage of critical para-medical personnel contained the achievement of all the targets set.

A regional drug bond was opened to service the Berbice estates. Due to a revamped drug control and monitoring system, the volume of drugs utilized in 1992 reduced by 20% when compared with 1991 expenditure.

An intensive programme of education and preventative action effectively contained the incidence of cholera across the industry

Paying tribute to the men and women whose efforts keep the wheels of production moving.

Family planning clinics registered the attendance of 3865 women.

Together with the Ministry of Health, PAHO and other related agencies the Unit conducted or participated in seminar/workshops in -

- Cholera/Occupational Health & Safety
- Hypertension/Diabetes/Medical Toxicology

GUYSUCO hosted a major eight-week seminar sponsored jointly by the University of Guyana and the University of Texas medical unit on -
"Issues in health management, with particular reference to the Caribbean"

There was a major upgrading the Industry's Contributory Hospitalization and Maternity Scheme, with the members enjoying substantially increased benefits.

COMMUNITY WELFARE

In the revitalization of the Industry's welfare programme, four Community Centres were refurbished and made operational during the year - Skeldon, Rose Hall, Blairmont and Enmore.

The 1992 sports programme was an overall success with outstanding performances by GUYSUCO athletes and cricketers, while two employees were selected as members of the national football team.

COMMUNICATIONS

In addition to the publication of GUYSUCO NEWS and the production of radio programmes, the year's programme was highlighted by the presentation of a series of guest lectures on topics including:

- Technical and Vocational Education in the Caribbean Communities.
- Personnel Policy and Practice at GUYMINE.
- Income Tax and the Employee.
- Primary Health Care.

Cricket Adviser, Mr. Joe Solomon demonstrates "the defensive back foot shot" to young aspirants.

INDUSTRIAL RELATIONS

Wages

Wages were increased by 22% with effect from 1st march, 1992. 40 hours work week was introduced with effect from 26th July, 1992. The minimum wage was increased from $177.20 to $237.80.

Incentives

Workers earned an aggregate of 272 days pay under the Corporation's Weekly Production Incentive. Annual Production Incentive of 17 days pay was paid for a production of 242,500 tons. This compared with 12 days pay paid in 1991.

The Industry has been able to recruit all its labour requirement in field and factory. Labour retention has been the best for many years.

Mandays Lost

Mandays lost through strikes and work stoppages were 198, 582 in 1992, compared with 117,288 in 1991. Wages lost through work stoppages were $82.7M compared with $23.2M in 1991. However, more significant to note is that 81,543 mandays were lost during the out-of-crop season. This strike occurred at a time when it did not impact on the Industry's work programme nor affect production.

Chief Executive, Mr. Neville Hilary congratulates the General Secretary of GAWU after calling for a long term wages agreement.

GUYANA SUGAR CORPORATION LIMITED
STATISTICAL SUMMARY 1983-1992

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Number of factories	10	10	10	10	8	8	8	8	8	8
Acreage harvested	119,429	125,926	107,526	112,875	106,039	85,823	86,303	91,372	93,307	99,891
Tons Cane Milled ('000)	3,571	3,469	3,218	3,348	3,100	2,480	2,548	2,019	2,293	3,081
Yield:										
Tons Cane/Acre	29.90	27.54	29.93	29.66	29.23	28.90	29.56	22.10	24.57	30.84
Tons Cane/Tons Sugar	14.18	14.34	13.24	13.64	14.03	14.80	15.41	15.54	14.36	12.68
Tons Sugar/Acre	2.11	1.92	2.26	2.17	2.08	1.95	1.91	1.42	1.71	2.43
Sugar Production (Tons)	251,870	241,861	243,000	245,440	220,995	167,550	164,800	129,920	159,690	243,010
Molasses Production ('000 gals.)	23,026	21,406	19,506	21,614	19,962	26,741	15,375	11,474	13,363	18,741
Home Consumption: Sugar (Tons)	36,266	34,731	28,396	31,243	42,252	35,846	28,511	27,610	23,875	19,914
Molasses ('000 gals.)	10,598	8,874	12,240	11,380	13,201	12,529	13,932	10,561	13,363	18,084
Exports: Sugar (Tons)	213,227	205,371	214,543	213,609	176,463	134,828	160,979	129,767	159,430	232,711
Molasses ('000 gals.)	12,428	12,532	7,266	10,234	6,757	4,181	1,214	906	-	657
Sales:										
Local Sugar (G$M)	10.70	26.70	40.40	50.30	68.00	58.30	173.00	406.00	1,049.30	984.06
Average Price/Ton (G$)	195.00	769.00	1,422.00	1,610.00	1,610.00	1,626.00	6,070.00	14,708.00	43,953.00	49,416.00
Export Sugar (G$M)	212.10	271.50	286.60	356.70	971.70	710.20	2,309.76	3,265.80	11,973.90	15,965.00
Average Price/Ton (G$)	994.00	1,322.00	1,336.00	1,670.00	5,506.00	5,267.00	14,348.00	25,167.00	75,105.00	68,604.00
Molasses (G$M)	6.70	7.50	5.20	20.50	34.90	23.40	42.80	70.20	293.10	384.44
Average Price/Gallon (G$)	0.29	0.35	0.26	0.95	1.75	1.40	2.78	6.11	21.94	20.51
Expenditure:										
Employment Costs (G$M)	185.70	201.90	184.30	207.60	294.20	302.90	515.10	980.50	2,703.70	4,873.10
including Profit Share (G$M)				7.2	10.5	-	6.0	9.5	30.0	40.0
Materials and other (G$M)	104.50	137.30	171.30	186.50	295.00	305.10	984.10	1,780.71	5,892.42	6,954.94
Operating Results Before Local Subsidy and Interest (G$M)	(59.10)	(31.80)	(22.10)	35.40	83.20	106.10	293.10	321.87	559.87	573.64
Local Subsidy (G$M)	1.00	31.30	0.00	0.00	53.10	89.90	241.60	282.20	178.92	0.00
Interest Expense (G$M)	21.60	39.20	55.70	21.60	9.60	4.80	16.60	1.20	322.78	179.34
Surplus/Deficit before tax (G$M)	(119.80)	(102.30)	(77.80)	13.80	20.50	11.40	34.90	38.47	58.17	394.30
Avg Mid Market exchange rate G$/US$:	3.00	3.86	4.25	4.27	9.77	10.00	27.25	39.00	119.45	124.95

REPORT OF THE AUDITORS
TO THE MEMBERS OF
GUYANA SUGAR CORPORATION LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1992

We have examined the financial statements set out on pages 24 to 35 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 general accepted auditing standards and included such tests and procedures we considered necessary.

In our opinion, the financial statements give a true and correct view of the state of affairs of the Company at 31 December 1992 and of the results of its operations and cash flows for the year then ended.

DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS

77 Brickdam,
Stabroek, Georgetown,
Guyana

6 August 1993

GUYANA SUGAR CORPORATION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1992

	Notes	G$000	1991 G$000
Sales	2	12,401,682	9,155, 994
Profit before Taxation	3	394,299	58,173
Taxation	4	78,232	13,856
Net profit after taxation		316,067	44,317
Valuation surplus of disposal of fixed assets tranferred from reserves	5	361	27
Retained profit fot the year		316,428	44,344

STATEMENT OF ACCUMULATED LOSSES

At 1 January	(329,971)	(374,315)
Retained profit for the year	316,428	44,344
At 31 December	(13,543)	(329,971)

GUYANA SUGAR CORPORATION LIMITED
BALANCE SHEET
AT 31 DECEMBER 1992

	Notes	G$000	1991 G$000
Share capital			
Authorised Ordinary shares of $1.00 each		500,000	500,000
Issued and fully paid 498,536,775 Ordinary shares of$1.00 each		498,537	498,537
Capital reserves	5	4,159,763	1,348,007
Deposit on shares	6	14,885	14,885
Accumulated losses		(13,543)	(329,971)
Shareholders' funds		4,659,642	1,531,458
Debenture	7	143,636	143,636
Loans	8	513,255	706,576
		5,316,533	2,381,670
Represented by:			
Fixed assets	9	4,181,498	2,445,580
Investments	10	304	2,514
Net current assets/(liabilities)	11	1,134,731	(66,424)
		5,316,533	2,381,670

Vickram H. Oditt
Director

G.N. Hilary
Director

GUYANA SUGAR CORPORATION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1992

				1991
	G$000	G$000	G$000	G$000
Net cash inflow from operating activities (Note a)		190,720		1,033,107
Returns on investments and servicing of finance				
Interest received	104,866		93,820	
Interest paid	(284,206)		(416,605)	
Nets cash outflow from returns on investments and servicing of finance		(179,340)		(322,785)
Taxation				
Property tax paid		(6,522)		(3,933)
Investing activities				
Deferred cultivation cost	-		3,103	
Payments to acquire tangible fixed assets	(2,015,367)		(1,782,706)	
Receipts from sale of tangible fixed assets	2,842		-	
Net cash outflow from investing activities		(2,012,525)		(1,779,603)
Net cash outflow before financing		(2,007,677)		(1,073,214)
Financing:				
Loan drawdown	235,161		884,314	
Repayment of loans	(351,237)		(277,215)	
Rehabilitation and Development Fund and other reserves	2,503,388		1,202,523	
Net cash inflow from financing		2,387,312		1,809,622
Increase in cash and cash equivalents (Note b)		379,645		736,408

GUYANA SUGAR CORPORATION
NOTES TO CASH FLOW STATEMENT

a. Reconcilation of operating profit to net cash inflow from operating activities:

	G$000	1991 G$000
Operating profit	394,299	58,173
Interest paid net	179,340	322,785
Depreciation	278,536	81,453
Unrealised loss on exchange	37,647	471,406
Loss on disposal of Investments	2,210	-
(Profit)/loss on disposal of fixed assets	(1,929)	138
Fixed assets transferred to current assets	-	100,495
Increase in Inventories	(1,184,569)	(1,739,390)
(Increase)/decrease in cattle	12,007	(9,303)
(Increase)/decrease in unsold produce	776,699	(1,137,221)
Increase in debtors and prepayments	(347,437)	(712,865)
Decrease in external payments deposits	11,963	-
Increase in creditors and accruals	1,222,397	1,020,952
Increase/(decrease) in export levy	(600,000)	2,137,935
Increase/(decrease) in accrued interest	(590,443)	438,549
Net cash inflow from operating activities	190,720	1,033,107

b. Analysis of changes in cash and cash equivalents during the year

Balance at 1 January	917,981	181,573
Net cash inflow	379,645	736,408
Balance at 31 December	1,297,626	917,981

c. Analysis of cash and cash equivalents as shown in the balance sheet.

	1992 G$000	1991 G$000	Change in the year G$000
Cash on hand and at bank	2,270,701	1,199,164	1,071,537,
Bank overdraft	(973,075)	(281,183)	(691,892)
	1,297,626	917,981	379,645

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

1. Significant accounting polices

(a) **Accounting Convention**

The accounts have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets and the accounting policies conform with International Accounting Standards.

(b) **Fixed assets and depreciation**

Fixed assets vested on 26 May 1976 are stated at the book values of the previous owners (which were in excess of compensation price) 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, capital work-in-progress and livestock.

State land 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

No depreciation is provided in the year of acquisition while a full year's charge is taken in the year of disposal.
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 and net realisable value.

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

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

1. Significant accounting policies - cont'd

(d) **Livestock**

Livestock is classified either as current or fixed assets depending on the nature and purpose of the animals and taking into account the types of animal, age and market value.

(e) **Research and development**

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

(f) **Foreign currency transactions**

Foreign currency transactions are recorded in Guyana dollars at the rates of exchange ruling at the data of such transactions. At the balance sheet date, foreign currency assets and liabilities are translated at the rates of exchage ruling at that date and resulting gains and losses are recognised in the profit and loss account.

(g) **Sales**

Sales represent the amount earned from the sale of sugar and molasses produced during the year, net of sugar industry special funds contribution, shipping and selling expenses and export sales levy. Sales also include amounts earned from the diversified crops division during the year.

(h) **Pension Scheme**

i) The Company participates in two contributory pension schemes for its employees. The contributions are held in trustee administered funds which are separate from the Company's finances. The last actuarial valuations done for the pension scheme in1987 and 1988 revealed that the schemes were in surplus of $3.1 million and $65.6 million respectively.

ii) Employees who have retired and are not member of the pension schemes are paid ex-gratia pensions which are recoverable from the Sugar Industry Price Stabilisation Fund. Amounts not considered to be recoverable are provided for in the profit and loss account.

(i) **Deferred Taxation**

Deferred taxation is only provided for to the extent that it is probable that a liability will crystallise.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

2. **Sales and exports levy**

		1991
	G$000	G$000
Sales		
Sugar and molasses	17,332,917	13,316,254
Diversified crops	39,437	103,716
	17,372,354	13,419,970
Export sales levy		
Amount payable (provisional)	8,673,849	6,330,328
Remitted by Government	(3,703,177)	(2,066,352)
	4,970,672	4,263,976
	12,401,682	9,155,994

Under section 6(1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit G$3,703,177,458 (1991 - G$2,066,351,627) of the Sugar Levy payable under the Sugar Levy Act of 1974 (as amended).

		1991
	G$000	G$000
3. **Profit before taxation**	394,299	58,173
This amount is determined after the following items have been dealt with:-		
Provision for stock obsolescence	715,621	3,108
Depreciation	278,536	81,453
Audit fees	2,000	1,725
Net loss on exchange	20,352	829,200
Interest payable	284,206	416,605
*Provision for ex-gratia pensions	75,998	44,534
Interest receivable	(104,866)	(93,820)

*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 was greater than the balance in the Fund.

4. **Taxation**

		1991
	G$000	G$000
Property tax	86,927	13,856
Less: Prior years' overprovision	(8,695)	(--------)
	78,232	13,856

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

5. **Captial reserves**

	(a) Rehabilitation and Development Fund	(b) Sugar Industry Rehabilitation Fund	(c) Valuation	(d) Other	Total
	G$000	G$000	G$000	G$000	G$000
At 1 January 1992	1,213,976	32,270	48,128	53,633	1,348,007
Additions during the year	1,970,672	2,233	-	839,212	2,812,117
Valuation surplus on disposal of fixed assets transferred to the profit and loss Account	-	-	(361)	-	(361)
At 31 December 1992	3,184,648	34,503	47,767	892,845	4,159,763

(a) An agreement was reached between the Ministry of Finance and the Company to set up a Rehabilitation and Development Fund from levies paid.

(b) This represents amounts received by Guyana Sugar Corporation Limited from the Sugar Industry Special Funds for rehabilitation work done on the Company's factories.

(c) This amount represents the surplus of the net book values over the consideration paid for the acquistion of the Company's assets on nationalisation in1976 less disposals.

(d) i) G$15.76M represent monies received from the Guyana Government for the purpose of financing projects in the Corporation's diversification programme.

ii) G$37.87M represent the value of loans of the net assets of Demerara Sugar Terminals Limited. Demerara Sugar Terminals Limited ceased trading in 1991 but continued as a department of the Company.

iii) G$839.21M represent the value of loans and accured interest assumed by the Govern ment of Guyana (see Note 8 (i)).

6. **Deposit on shares**

		1991
	G$000	G$000
Guyana Agricultural Products Corporation	1,319	1,319
Demerara Sugar Company Limited	13,566	13,566
	14,885	14,885

These accounts arose as a result of the Government's acquisition of the above Companies, the net assets of which were accounted for the in the books of the Company.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

7. **Debenture**

		1991
	G$000	G$000
2% Government of Guyana debenture redeemable in the year 2000	143,636	143,636

8. **Loans**

i) (a) Tennant Guaranty Limited		
Loan II	-	70,461
Loan III	-	222,637
(b) Lloyds Bank Limited		
Loan I	-	1,950
Loan II	-	13,681
These loans were assumed by the Government of Guyana		
ii) Guyana Agricultural and Industrial Development Bank	-	21,044
This amount was repaid in 1992.		
iii) Inter-American Development Bank Fixed Assets loan		
A U.S. dollar loan for the purchase of fixed assets to rehabilitate the Company's sugar factories. Interest is now charged at 25% per annum and the loan is repayable in 8 half yearly instalments payable in April and October each year	653,652	715,905
Working Capital loan		
A U.S. dollar loan with interest at the rate of 15% per annum repayable in 1992	240,932	137,264
The repayment terms of these loans are presently being renegotiated.		
iv) Supplier's credit - International Resources Corporation	128,644	227,443
The prevailing interest rate is 8.5%. These credits are repayable in equal quarterly instalments plus interest accrued to the due date of instalments commencing 15 March 1993 and ending 15 June 1994		
	1,023,228	1,410,385
Loans repayable within one year	509,973	703,809
Loans repayable after one year	513,255	706, 576

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

9. **Fixed assets**

	Land and Buildings		State land and land expansion	Plant, machinery and		Work-in	
	Freehold G$000	Leasehold G$000	costs G$000	equipment G$000	Livestock G$000	progress G$000	Total G$000
Cost or valuation							
At 1 January 1992	234,878	3,778	32,590	1,871,829	49,942	597,078	2,790,095
Additions	42,865	-	-	1,246,316	-	726,186	2,015,367
Disposals	(46)	-	-	(7,245)	-	-	(7,291)
Transfers	17,315	-	-	184,742	-	(202,057)	-
At 31 December 1992	295,012	3,778	32,590	3,295,642	49,942	1,121,207	4,798,171
Comprising:							
Valuation	59,022	2,549	25,420	49,605	49,942	-	186,538
Cost	235,990	1,229	7,170	3,246,037	-	1,121,207	4,611,633
	295,012	3,778	32,590	3,295,642	49,942	1,121,207	4,798,171
Depreciation							
At 1 January 1992	7,185	1,281	9,902	326,147	-	-	344,515
Charge for the year	961	28	424	277,123	-	-	278,536
Retirement on disposals	(19)	-	-	(6 359)	-	-	(6,378)
At 31 December 1992	8,127	1,309	10,326	596,911	-	-	616,673
Net book values:							
At 31 December 1992	286,885	2,469	22,264	2,698,731	49,942	1,121,207	4,181,498
At 31 December 1991	227,693	2,497	22,688	1,545,682	49,942	597,078	2,445,580

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

10. **Investments**

		1991
	G$000	G$000
Lochaber Limited 1,280 Ordinary shares of $20.00 each - at cost	23	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	31
Livestock Development Company Limited 55,000 Ordinary shares of $1.00 each - at cost	50	50
Emile Woolf College of Accountancy (Guyana) Limited (in Liquidation) 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	200
Deposit on shares in National Edible Oil Company Limited	-	2,200
	304	2,514

The Company has written down to nominal amounts investments in Emile Woolf College of Accountancy (Guyana) Limited and National Edible Oil Company Limited since they were considered to have suffered dimunition in value.

11. **Net current assets/(liabilities)**

		1991
	G$000	G$000
Inventories	3,824,883	2,640,314
Cattle	162	12,169
Unsold produce	515,489	1,292,188
Trade debtors	968,448	619,533
Other debtors and prepayments	321,894	323,372
External payments deposits	-	11,963
Cash on hand and at bank	2,270,701	1,199,164
	7,901,577	6,098,703
Current liabilities		
Trade Creditors	638,070	612,017
*Other creditors and accruals	1,976,084	779,740
Export sales levy	2,500,000	3,100,000
Accrued interest	82,717	673,160
Loans repayable within one year (Note 8)	509,973	703,809
Taxation	86,927	15,218
Bank overdrafts (unsecured)	973,075	281,183
	6,766,846	6,165,127
	1,134,731	(66,424)

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS CONTINUED

11. **Net current assets/(liabilities)** - cont'd

*Included in this balance is an amount of G$42.407M representing the outstanding liability to the Government of Guyana under the terms of the assumption of loans (See Note 8 (i)).

Certain previous year's amounts have been reclassified because of:

i) The Company's overseas retention account is now shown as cash on hand and at bank.

ii) Deferred receivable is now included in other debtors.

12. **Future capital expenditure**

		1991
	G$000	G$000
Expenditure authorised by the Directors and committed	366,700	136,063
Expenditure authorised by the Directors but not committed	1,892,300	2,463,937

13. The Company is at present being managed by Booker Tate Limited.

GUYANA SUGAR CORPORATION LIMITED
STATEMENT OF EMPLOYMENT AND COMMUNITY COSTS

	1989 G$M	1990 G$M	1991 G$M	1992 G$M
DIRECT EMPLOYMENT BENEFITS				
Wages and Salaries	378	618	1,828	3,229
Incentive Payments*	57	80	458	780
Other Employment Benefits	80	282	418	865
Labour Transport Costs	28	140	218	343
	543	1,120	2,922	5,217
COMMUNITY COSTS				
Government Taxation and Levies	754	714	4,264	5,049
Local Government Rates and Taxes	2	2	3	15
Local Sugar Sales Subsidy	242	282	179	-
Sugar Industry Special Funds	4	3	18	23
Community Services	4	12	19	39
	1,006	1,013	4,483	5,126
TOTAL	1,549	2,133	7,405	10,343
Number of employees	23,435	25,576	27,964	28,081
Tons sugar produced	164,800	129,920	159,690	243,010
*Includes provision for profit share	6	10	30	40