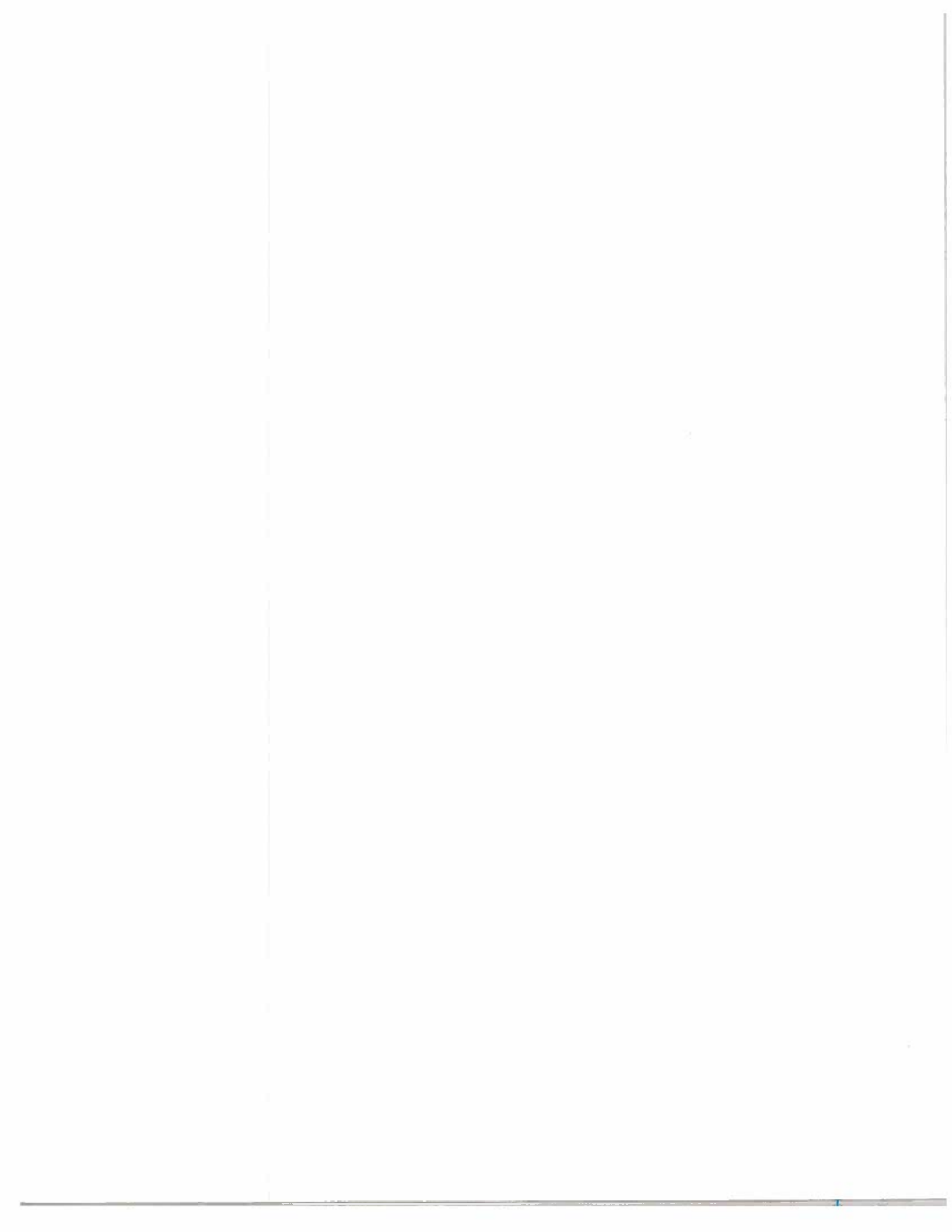


TABLE OF CONTENTS

	PAGE
1. Chairman's Statement	3
2. Board of Directors	7
3. Report of Directors	8
4. Review of Operations	9
5. Statistical Summary	30
6. Report of Auditors	31
7. Profit & Loss Account	32
8. Balance Sheet	33
9. Statement of Source and Application	34
10. Notes on the Accounts	36
11. Statement of Employment & Community Costs	45



CHAIRMAN'S STATEMENT



**CHAIRMAN
VICKRAM ODITT**

In 1993 sugar shipments to our premium-priced quota markets returned to a more normal pattern, compared with 1992 quota shipments both to the European Union and the United States which were unusually high, bringing increased revenue and profits.

Profit before Export Sugar Levy and Taxes in 1993 was \$4.1 billion, which was the second highest ever achieved.

The comparative figures in 1992 and 1993 are as follows:

	<u>1992</u>	<u>1993</u>
EU Shipments	188,575 tons	167,389 tons
US Shipments	28,217 tons	12,000 tons
Sugar Export Revenue	\$16.0 billion	\$15.0 billion
Profit (Before sugar levy and taxation)	\$ 5.4 billion	\$ 4.1 billion

Both material and employment costs rose in 1993, and combined with the reduced revenue, led to cash shortages during the year.

However, the underlying strengths of the Corporation continued to improve.

-- production at 242,640 tons remained at

the same level as 1992 which was the highest achieved since 1986. This level of production represents a remarkable recovery from the low point of 130,000 tons produced in 1990.

vital productivity ratios in field and factory continued to improve.

tons sugar per acre increased to 2.47 compared with 2.43 in 1992.

factory sugar recoveries also improved further and mill extraction, in particular, was the highest since 1978.

land preparation and planting remained at a high level, the acreage achieved in 1992 and 1993 being unmatched in 20 years.

water control structures continued to be refurbished with aqueducts at Rose Hall and Albion, an intake at Lusignan through the Lama conservancy and repairs to the Potosi and Sanbach sluices at Wales all completed.

purchasing policies and procedures have been reviewed and strengthened to ensure that the Corporation obtains the best possible value for money based upon competitive prices.

US dollars 4.91 M was spent or committed for further replacing and refurbishing of field machinery and equipment.

modest rehabilitation of the factories continued with the expenditure of some US\$10 million on replacement of aging plant and equipment

upgrading of pumping units continued on all estates.

the efficiency of fuel utilisation improved further, and power supply

Chairman's Statement

generation increased by 22% compared with 1992. Diesel consumption reduced by 15% compared with 1992.

At a fundamental level, therefore, the strengthening and improvement of the Corporation has been maintained.

FINANCE

Profit:

The Corporation earned a profit (before Sugar Levy and Taxation) of G\$4.1 billion compared with G\$5.4 billion in 1992. The 1993 profit represents earnings per share of G\$8.22 (G\$10.83 in 1992).

Capital Expenditure

Emphasis continued to be placed on achieving the capital expenditure programme. G\$2.3 billion was spent in 1993 on capital projects compared with G\$2.0 billion in 1992. The expenditure by category was:-

	<u>G\$M</u>
- Buildings	193
- Agricultural Equipment	232
- Cane Punts	36
- Factory Equipment	1,280
- Drainage & Irrigation	93
- Transport	167
- Other	280

The Board's objective in the short term remains to secure Guysuco's production capability on all eight estates at current rated factory capacities.

GUYSUCO'S CONTRIBUTION TO GUYANA

Guysuco continues to make a significant contribution to public revenue. In 1993 G\$2.7 billion was paid in Sugar Export Levy, G\$170 million in taxation and G\$590 million in Consumption Tax & Duty.

I think it may be useful to summarise the wide ranging and very substantial contribution which Guysuco makes to the Guyanese economy and society:

Mandays lost through strikes and work stoppages reduced to 126,000 in 1993 compared with 200,000

- Sugar accounts for 30% of GDP.
- Out of a national labour force of 300,000, sugar provides direct employment to 28,000 persons. A further 3,000 are employed in cane farming. It is estimated that a further 8,000 are employed in businesses which supply and service the industry or which utilise the industry's by-product, molasses. A substantial proportion of Guyana's workers and their families therefore depend on the continued viability and success of the sugar industry.
- Sugar is the largest earner of foreign



Men, materials, machinery, and finance deployed to keep the furious Atlantic Ocean out and preserve coastal communities.

Chairman's Statement

exchange in Guyana. In 1993 sugar earned US\$118 million in foreign exchange which represents 28% of the total foreign exchange earned from exports.

- Sugar, as I have noted earlier, is a large contributor to public revenue: in 1993 G\$3.5 billion were contributed.
- Sugar contributes to the development of a wide range of agricultural and industrial skills and provides substantial educational and training opportunities to the national as well as the industry's benefit.
- Sugar provides products and by-products which form the basis for other important and profitable enterprises in the country and also generates business for suppliers of materials and services to the industry.
- Sugar is a crop well suited to the areas where it is grown in Guyana and is an excellent example of an industry in which the principles of sustainable development obtain.
- The Corporation has adopted a formal policy on Health Safety and the Environment, and is committed to carrying out all its operations in a manner which is consistent with the best modern practices in environmental protection, and to promote safe and healthy working practices, in the interests of its employees and the community at large.
- Guysuco's human and material resources are made available to the society for innumerable projects and for improvements in communities around estates. Very often these resources are called upon to help in emergencies, a good example of this being the assistance given by Guysuco in helping to seal the breach at Lusignan earlier this year.

HUMAN RESOURCE DEVELOPMENT

No resource in Guysuco is more important than our

human resource.

- A great deal of time, thought, expertise and money are spent in training and education, and in improving safety standards and delivery of health services.
- We are in the process of developing areas on each estate for the housing of sugar workers.
- With effect from January 1, 1993, the cess paid to the Sugar Industry Labour Welfare Fund has been increased substantially from \$100 to \$500 per ton and this Fund should be able in the future to become much more active in providing for the welfare, housing, and water supply needs of sugar workers.
- Seventy apprentices graduated from the Apprentice Training Centre, including 12 females. Ninety-one education bursaries were awarded. Eleven managers attended training courses and conferences overseas to increase their skills and supplement their experience.
- Our Primary Health Care programme got underway in 1993 and health teams have been introduced on all estates to monitor the health of all employees.
- The rehabilitation of Community Centres, seven of which have now been returned to Guysuco's control, moved apace. There was an upsurge in the promotion of cricket in estate areas and Skeldon, Blairmont and Enmore all hosted intra-regional matches. There was much increased involvement in other sporting programmes and Guysuco's athletes performed outstandingly.

in 1992. However, while mandays lost were less, strikes were more numerous. On occasions these strikes occurred during prime production time resulting in cane being harvested later than planned and during the rainy weather with the result that production was lost and damage was done to field infrastructure. The industry can ill afford such loss

Chairman's Statement

of production and damage to vital infrastructure.

SUGAR MARKETS AND THE FUTURE

We are confident that sugar's access to the European Union and the United States, is secure and has been strengthened further by the recent GATT Agreement signed in Marrakesh on April 15, 1994. The Sugar Protocol guarantees settled annual quotas (for Guyana the quota is 163,000 tons) at guaranteed prices for an unlimited duration. Even if the Lome Convention itself were to disappear, the Sugar Protocol has a life of its own and will continue unaffected. The Sugar Protocol has proven to be a remarkably secure marketing arrangement.

The recent GATT Agreement further entrenches this arrangement. The Agreement incorporates access for ACP Sugar Protocol quotas to the EU and ensures the future of our main preferential sugar market. The GATT Agreement also entrenches access for minimum sugar quotas to the US (for Guyana the quota is about 13,000 tons) and this underpins the future of this less important but still valuable preferential sugar market.

Also, with effect from July 1, 1995, there is a good possibility of ACP sugar exporters, including Guyana, gaining additional access to the EU market - mainly in Portugal - at a preferential price. In Guyana's case this new outlet could amount to between 30,000 and 40,000 tons of sugar.

However, for some time there has been pressure to control rising agricultural prices in Europe. This has affected the ACP guaranteed sugar price, which has remained frozen for a number of years. This is a serious matter for the Corporation, since in real terms it represents a reduction in price. This pressure to reduce prices will undoubtedly continue and it is likely to lead to further reductions in the future.

It is, therefore, imperative that costs be strictly controlled, productivity improved and competitiveness enhanced in Guysuco, otherwise our future will be threatened. All areas of cost are being examined with a view to achieving reductions wherever possible.

Thus we must take a balanced view of sugar's future.

On the one hand what has emerged from the recent GATT Agreement are permanent marketing arrangements which should improve sugar's long term prospects. On the other hand, those improved long term prospects will only become reality if we can control costs and improve productivity to meet the challenge of static prices and thus enable the industry to generate the funds necessary for essential maintenance and accelerated replacement of assets.

I wish to thank my fellow Directors for the support and co-operation which I have received since becoming Chairman. I also wish to thank management and workers in Guysuco for the outstanding work which they have done in improving production and strengthening this Corporation whose success is so vital to the country.

VICKRAM ODITT

Georgetown

August, 1994



DIRECTORS

The Board of Directors was reconstituted at the end of June, 1993. Directors who served during the year prior to that date were:-

Mr. M.A.J. Brassington, AA	Chairman
Mr. P.E. Fredericks, CCH, JP	Member
Mr. I. Hamilton, AA	Member
Mr. J.R. Vieira, AA	Member
Mr. B.N. Newton	Member
Mr. R.M.D. Glasford	Member
Mr. G.N. Hilary	Chief Executive

The new Directors appointed on 1st July, 1993 were:-

Mr. V. Oditt	Chairman
Mr. I. Hamilton, AA	Member
Mr. R. Alli	Member
Mr. D. Ramotar	Member
Mr. B.N. Newton	Member
Mr. R.M.D. Glasford	Member
Mr. G.N. Hilary	Chief Executive

Auditors:

The Auditors for 1993 were Messrs. Deloitte & Touche.

A.A.Lancaster
Company Secretary

REPORT OF THE DIRECTORS

The Directors submit their report for the year ended 31st December, 1993.

Principal Activities:

The principal activities of the Corporation were the growing of sugar cane and the conversion of its own and farmers' cane to sugar and its by-product molasses.

Sugar Production:

The sugar production data for 1993 compared with the previous year were:

	1993	1992	Change
Total acres ¹ harvested	89,787	92,203	2.62%
Tons ² cane acre	32.6	31.00	5.16%
Tons sugar acre	2.50	2.46	1.62%
Tons sugar made (incl. from farmers' canes)	242,640	243,010	0.15%

Financial Results:

The turnover for the year before export sales levy was G\$16.6 billion compared with G\$17.4 billion in 1992.

The net profit before taxation was arrived at after making provision for:-

	G\$M	G\$M
Ex-gratia pensions	77.6	76.0
Audit fees	2.2	2.0

The charge for taxation was G\$231.6 million compared with G\$78 million in 1992.

The net profit after taxation was G\$529 million compared with G\$316 million in 1992.

The Export Sales levy for 1993 amounted to G\$3.36 billion compared with G\$4.97 billion in 1992.



Members of the Board of GUYSSUCO with the Senior Minister of Agriculture and Senior Minister of Finance before an Annual General Meeting.

Molasses Sales:

Molasses sales in 1993 amounted to G\$399 million as against G\$384 million in 1992.

Retained Profits:

The profit carried forward to 1994 was G\$ 516 million as against a loss of G\$ 13 million carried forward from 1992.

REVIEW OF OPERATIONS

AGRICULTURAL OPERATIONS

Production and Weather:

Sugar production from estate and private farmers' lands in 1993 was 242,640 tons, some 370 tons (0.15 percent) less than the 243,010 tons achieved under favourable weather in 1993 but slightly more than the budget for 1993 of 242,582 tons. GUYSUCO estates contributed 224,711 tons sugar (92.6 percent of total production) while private farmers' contributed 17,929 tons (7.4 percent).

and 1976 respectively, despite unfavourable weather for cane growth and ripening throughout the first crop and during the last two months of the second crop. Conditions were particularly adverse in Demerara where Uitvlugt experienced the highest annual rainfall total for the past 35 years and Enmore and LBI/Diamond were also significantly wetter than average.

Rainfall in January and March interfered with operations to such an extent that sugar production at the end of the first crop was only 90,970 tons, some

Cane and Sugar Production - 1993					
	1st Crop Actual	2nd Crop Actual	1993 Total Actual	1993 Budget	1992 Total Actual
Estates production					
Acres ¹ Reaped for Mill	37,457	52,330	89,787	93,641	92,203
Tons ² Cane Milled	1,154,726	1,770,286	2,925,012	2,941,801	2,863,364
Tons Sugar Produced	85,044	139,667	224,711	224,454	226,904
Tons Cane/Acre	30.8	33.8	32.6	31.4	31.0
Tons Sugar/Acre	2.27	2.67	2.50	2.40	2.46
Tons Cane/Ton Sugar	13.58	12.68	13.02	13.11	12.62
Tons Sugar From Farmers	5,926	12,003	17,929	18,128	16,106
Total Tons Sugar	90,970	151,670	242,640	242,582	243,010

¹"Acres" are Rhymland acres where 1 Rhymland acre = 1.051 Imperial acres = 0.4253 ha.

²"Tons" are long tons = 2240 pounds = 1.016 tonnes.

The private farmers' contribution has more than doubled since the nadir of just on 8,000 tons contributed in 1990 and reflects extensive, although not yet fully documented, plantings by farmers at Albion, Enmore, Wales and to a lesser extent, at Diamond over the past two years.

Sugar production was slightly lower than in 1992 but the mean yields on estate lands of 32.6 tons cane per acre (77.9 tc/ha) and 2.50 tons sugar per acre (5.97 ts/ha) were the highest achieved since 1975

6,322 tons behind budget to that time. This shortfall was erased when the second crop budget was exceeded by 6,380 tons sugar. This was a remarkable achievement in the face of heavy rains in November and December which necessitated the crop continuing to Old year's night and also caused 3,374 acres of estate and 195 acres of private farmers' cane to be stood-over to first crop 1994.

There is no doubt that had the weather allowed these lands to have been harvested then the

Agricultural Operations

production total for 1993 would have exceeded 250,000 tons sugar.

	1993	1992	1991	Historical Average
January	9.80	5.46	5.93	6.80
February	3.28	4.26	1.66	3.44
March	11.56	2.93	2.56	3.86
April	2.44	1.74	8.76	6.03
May	7.77	11.12	4.41	10.08
June	12.24	8.04	10.62	11.46
Total 1st Crop	47.09	33.55	33.94	41.67
July	5.02	8.97	10.73	9.80
August	5.42	8.17	9.99	6.83
September	3.64	1.61	5.55	2.98
October	4.48	1.68	3.13	3.06
November	15.14	2.21	2.68	4.84
December	7.13	5.11	8.48	8.36
Total 2nd Crop	40.83	27.75	40.56	35.87
Total Year	87.92	61.30	74.50	77.54

The rainfall, particularly in the second crop, had an adverse effect on cane deliveries with only 54.6 percent of punts being discharged within two-days of the cane being burnt, in contrast to the 62.2 percent achieved in 1992. However, cane cutting and loading standards continued to improve with average extraneous matter levels of 5.0 percent and 4.8 percent in first and second crops respectively of 1993 comparing well with the average of 5.2 percent in second crop 1992.

The mean punt loads for estates during the first and second crops were 5.90 and 6.02 tons cane respectively where a punt load in excess of 6.0 tons reflects good stacking practice. In contrast, cane in farmers' punts averaged 5.55 tons during second crop 1993 and was particularly low (3.36) tons cane/punt) at Enmore where the Pioneer Farmers do not pay for the use of the punts that are provided to transport their cane.

Land Preparation and Planting:

	Acres - Estate Lands - 1993				1992
	1st Crop Actual	2nd Crop Actual	Total 1993 Actual	1993 Budget	Total Actual
Land Preparation	6,579	10,934	17,513	21,017	23,184
Planting	8,289	11,255	19,544	21,230	19,823

Despite wetter than anticipated crop periods and lower than anticipated availability of the Caterpillar D6ESR Crawler tractors as a result of hydraulic problems (which were not addressed expeditiously because the Caterpillar agency was changing hands) estates still managed to prepare 17,513 acres for planting or fallowing in 1993. Apart from the 23,184 acres prepared in 1992 and the 22,201 acres prepared in 1974 the land preparation achievement was the best on the GUYSUCO estates in any of the past 20 years.

Planting progressed well throughout the year, due to there being 7,456 acres of wet fallow land prepared for planting by the end of 1992. The area of 19,544 acres planted in 1993 has only been bettered in 1992 in any of the past 20 years.

Planting in 1991, 1992 and 1993 has totalled 52,424 acres, or 55 percent of the land under cane at the end of 1993. It is anticipated that by the end of 1994 some 75 percent of cane lands will be under plant to 3 ratoon cane, with commensurate productivity gains.

At the end of 1993 the estates had 95,168 acres of cane and 5,085 acres under wet fallow compared with 94,287 acres of cane and 7,456 acres of wet fallow at the end of 1992. The decline in wet fallow area during 1993 reflected, in the main, the

Agricultural Operations

difference between the land preparation and planting achievements. It is anticipated that during 1994 the area under wet fallow will be increased, enabling the industry to derive operational flexibility and pest control and production benefits.

At the end of the year ridge and furrow fields accounted for 19.2 percent of cane area compared with 18.2 percent at the end of 1992. It is planned that conversion to ridge and furrow layouts will proceed a little more quickly in 1994 than in previous years.

DB 7869 was the most widely planted variety at 5877 acres (30.1 percent of planted area) followed by DB 66113 (16.2 percent) DB 75159 (13.0 percent) and DB 7040 (12.4 percent). There were significant declines in the planting of B 41227 (from 12.1 percent of planted area in 1992 to 5.1 percent in 1993) and DB 7160 (from 13.4 to 8.9 percent). The latter decline is because DB 7160 is almost at the area planned for this variety at present, the former because B 41227 is being phased-out of production. The year also saw the first significant planting of D 8415 and the continued expansion of B 47258 on the Demerara estates.

At the end of the year DB 66113 occupied 26.5 percent of estates' cane area (compared with 30.3 percent at the end of 1992) while B 41227 occupied 15.8 percent of cane area (compared with 19.1 percent). Significant increases in area occupancy were registered for DB 7869 at 10.7 percent (up from 4.3 percent) and DB 75159 at 8.0 percent (from 5.2 percent).

Aircraft Department:

A much improved spares support programme enabled the Department to further improve aircraft availability throughout the year and to complete the restoration of Thrush Commander 8R-GFC. This latter achievement was marred by an accident to Thrush Commander 8R-GFD during December, which once again reduced the agricultural fleet to one operational aircraft.

The fleet achieved 698 hours and 27 minutes flying time, of which 470 hours and 27 minutes were for passenger transport and 228 hours for agricultural operations, compared with 304 hours 31 minutes

and 210 hours 50 minutes respectively in 1992.

The Corporation's aircraft applied herbicides and insecticides (for froghopper control) to 19,192 acres in 1993 compared with 17,592 acres in 1992 and fertilized 6,000 acres, compared with 15,214 acres in 1992. The decrease in area fertilized was because there was less call for supplementary fertilizer application in 1993 than in 1992, as only 5,624 acres were assessed as nitrogen deficient by foliar analyses.

In addition to the Corporation's aircraft a private contractor's services were utilised to spray a further 7,239 and fertilize 296 acres to give 26,431 acres sprayed and 6,296 acres fertilized for a total area treated in 1993 of 32,727 acres.

Engineering resources improved with one engineer and one trainee engineer becoming qualified on the airframe and engines of the Thrush Commander and a third trainee qualifying on the airframe and engines of the Cessna 185F. A trainee pilot qualified on the Thrush Commander but for much of the year the Chief Pilot was supported by the short term hiring of qualified pilots for the twin-engined Cessna 402.

During the year the Department contributed to various studies related to the proposed development of Ogle airstrip as a Georgetown municipal aerodrome. It is not yet clear how this development will impact on the Corporation's aircraft operations.

Hydraulics Department:

During the year all civil engineering projects carried forward from 1992 were completed and an additional 46 projects, valued at G\$172 million were awarded, compared with 38 projects valued at G\$183 million awarded in 1992.

The refurbishment of water control structures continued and aqueducts at Rose Hall and Albion, an intake at Lusignan from the Lama conservancy and repairs to the Potosi and Sandbach sluices at Wales were completed. The civil engineers were also involved, among other matters, in the continuing rehabilitation of staff housing and sports and community centres, the design of a new

Agricultural Operations

medical facility for Diamond, the construction of new mill dock buildings at LBI and Albion, a new field workshop at Skeldon, new fertilizer stores at Blairmont and Uitvlugt, a field laboratory at Uitvlugt and the planned rehabilitation of Rose Hall fertilizer bond.

The surveys division authorised the payment of G\$15.1 million in rates and taxes to Local Authorities and Regional Administrations, compared with G\$8.5 million paid in 1992.

The routine maintenance of navigation and drainage systems continued throughout the year with 93 percent of the planned excavation programmes achieved.

Despite the relatively heavy rainfall very little cane was exposed to prolonged flood conditions during the year except at Uitvlugt where seven flood days were accumulated, at LBI where drain shoulder cane was flooded for nearly two weeks in late November (with some loss of young plants) and at Enmore where some 1000 acres were inundated following the collapse of a section of the sea wall at Lusignan on 13 November. The breach was sealed within a week but high tides and heavy rainfall impeded water removal from the flood fields in which some 600 acres were completely covered, for at least a few days, and the remainder were covered to the drain shoulders for a short time.

After the water receded the cane appeared in surprisingly good condition overall although with some loss of young plants and drain shoulder cane. There appeared to be relatively few adverse effects from sea water salts, possibly because of the heavy rains washing the sea waters from the land. This aspect of the flooding will be monitored closely over the coming year.

Field Equipment Department:

A total of US\$4.91 million was either spent or committed for agricultural machinery and equipment against IADB Loan \$839, bringing the total commitment under this programme to US\$11.86 million since 1991 and leaving US\$0.44 million to be committed in 1994. It is anticipated that the bulk of the remaining funds will be used to

purchase a small number of tractors, rotary ditchers, irrigation engines and some motorcycles. In addition to IADB - supported purchases the Corporation funded in 1993 the purchase of three new ambulances, five new school buses and a number of service cars to replace the more elderly vehicles in the fleet.

The remaining Cameco S30 and S32 whole stalk cane harvesters were sold overseas during the year and it is anticipated that in 1994 those S850 transloaders and SP1800 cane loaders surplus to requirements will also be sold. The cane carts remaining from the mechanised harvesting programme will either remain in cane transport or will be converted to other work, such as labour and chemical transport.

A total of 140 machines (including the harvesters) was scrapped in 1993 and most of these were disposed by public tender although some were broken down for spares or donated to deserving institutions such as the Guyana School of Agriculture.

During the year one of the two Bell cane loaders that were tested in 1992 was purchased, with the other unit being returned to Bell. The unit that was purchased was worked at first at Wales in wet weather, where cutting gangs did not respond well to the machine, and later at Rose Hall where the response was much more positive. In 1994 the unit will continue to work at Rose Hall to build on the expertise gained to-date.

Other research and development work involved the fabrication of 20 inch internal diameter concrete tubes for study at Blairmont, Wales and Uitvlugt as possible replacements for wooden drainage boxes. Given the enthusiastic response from Blairmont (and Rose Hall) a commercial mould is to be purchased to fabricate concrete tubes on a large scale at a cost that is very competitive with that of the wooden boxes.

Vehicle accidents continued at an unacceptably high level throughout 1993 when damage to the value of G\$16.05 million in 117 accidents, compared with G\$2.68 million in 70 accidents in 1992, was reported. Granted that part of the increa-

Agricultural Operations

ed levels may reflect a more efficient reportage system than in previous years it is clear that the Corporation cannot continue to sustain such unnecessary costs and the matter will be addressed with the utmost urgency in 1994.

Research and Crop Control:

Variety Development - Breeding and Selection:

The Demerara 1993 crossing programme lasted for 19 weeks from 22nd July and achieved 288 crosses, which compared well with the 250,259 and 156 crosses achieved in 1990, 1991 and 1992 respectively.

In 1993 some 133,000 D'series seedlings were planted in the field from the very successful 1991 crossing season while 27,833 seedlings were raised from the (deliberately) restricted 1992 season.

The DB 1992 series fuzz was received in February 1993 and sown in the greenhouse over the following three months. Germination was 80% of expectation, compared with 63% in 1992 and 51% in 1991, indicating a steady improvement in sowing techniques.

By the end of 1993 some 160,000 seedlings had been established in Stage I selection trials, 6,764 clones were in Stage II trials and 697 at Stage III. The majority of these are DB and D series genotypes.

Assessment of selection and disease rating trials indicated that DB 83184, DB 8506 and D 8484 were suitable for release to estates for Stage V selection trials.

In trials reaped at estates D 8415 continued to slightly outyield the standard variety DB 66113 in terms of tons cane/acre while the standard was slightly the superior in terms of tons sugar/acre. None of the other varieties in these trials competed with the standard.

Plant Protection:

There was no significant incidence of any major disease in the 1993 crop and at the end of the year the 1994 crop appeared similarly disease free.

With the exception of Enmore, where areas of first crop cane were seriously damaged by larvae of the giant moth borer *Castniomera licoides* and where cane on and adjacent to, sand reefs suffered from frog hopper damage at intervals throughout the year, the 1993 crop was singularly free from insect pest and rat damage and probably suffered greater losses from cattle than from any other pest.

The indications are that, except at Enmore and Wales, the 1994 crop has not been exposed to significant pest damage. Even at Enmore damage to the 1994 crop from *Castniomera* and from frog hopper has been lower than that experienced by the 1993 crop but there is concern about a possible increase in rat populations and in rat damage to cane at Wales.

The *Castniomera* problem was approached by the introduction of a lowered threshold level of stalk damage (2.5% at Enmore and 3.5% elsewhere, compared with 5% prior to 1993) for the flooding of young ratoon cane for 48 hours to kill the larvae. This proved most effective and was supplemented by studies of the plant growth regulator "Ethrel", in combination with nitrogenous and phosphatic fertilizers to stimulate tiller development in stools weakened by pest attack.

Frog hopper was controlled by the use of insecticide sprays. It is, however, clear that repeated application of insecticides is neither a sustainable nor an economic approach to the problem and several frog hopper endemic areas at Enmore have been set aside as insecticide-free zones to allow the study of population trends of indigenous predators and parasitoids of frog hopper life stages. In addition these areas will provide the trial sites for the developmental work with myco-insecticides planned for 1994. These studies have been supplemented by a series of trials to assess varietal tolerance to either the frog hopper or the frog hopper blight and a range of relatively benign "new generation" insecticides is also under study.

The *Allorhogas pyralophagus* programme for *Diatraea* sp control continued with the release of some 729,000 adults of this putative parasitoid across the industry. Recovery surveys indicated that only 0.15% of *Diatraea* sp larvae were parasitized, a slight increase on the 0.09% recorded

Agricultural Operations

in 1992. Laboratory studies have indicated that *Allorhogas* does not efficiently parasitise *Diatraea* larvae in cane, even in young cane shoots. The programme is therefore to be discontinued at most estates and replaced by the rearing and release of *Cotesia flavipes*, a more promising parasitoid which has already been successfully reared at Blairmont and GARU.

Despite indications of an upsurge in rat populations at Wales towards the end of the year cane damage was low throughout 1993, even at Wales and Blairmont where damage has been high historically. Judicious perimeter baiting, hunting and improvement in field sanitation, possibly superimposed on an inherently low population, will have contributed to this pleasing development. Vertiver grass nurseries are now well established at Wales and GARU and trials to see if hedges of the grass can discourage rodent incursion from flooded savannah will be established in 1994.

the use of terbutryn and dimethametryn herbicides and the banning of machines from infested fields, appears to have halted the spread of the noxious weed *Rottboellia cochinchinensis* in estate and farmers' fields. The effect of flood following on the viability of this potentially devastating weed's seeds is being studied. Unfortunately, a review of insect damage to, and diseases of, the weed concluded that no indigenous natural enemies were sufficiently aggressive to keep it in check in Guyana.

It is now anticipated that requests over the past two years to the Ministry of Agriculture for *Rottboellia cochinchinensis* to be declared a notifiable pest will be acted upon. This is a pleasing development as experience elsewhere has led to this plant being rated as one of the ten most serious weed species in the world.

Field trials with a range of protective clothings for agrochemical workers culminated with the



The Senior Minister of Agriculture, Mr Reepu Daman Persaud, congratulates Chief Executive, Mr. Neville Hilary, on the acquisition of needed agricultural machinery in the presence of officials of the IADB.

Several candidates were studied as potential aquatic weed control agents with "Basta" and 'Arsenal' appearing particularly promising.

Vigorous action at Wales, involving manual roguing,

introduction of superior overalls, boots and gloves and the identification of superior respiratory system protectors and goggles which are to be introduced in 1994.

Agricultural Operations

Central Laboratory:

Despite frequent interruptions to electricity and water supplies the Central Laboratory performed 66,565 analyses on 16,000 leaf, soil, water, sugar, fertilizer and miscellaneous samples compared with 52,739 analyses on 12,963 samples in 1992. The bulk of the work was for GUYSUCO but the laboratory also earned some G\$41,000 (G\$52,000 in 1992) by contract work for outside parties, including Wessex Waters International who are involved in the redesign of the Georgetown sewerage systems.

Participation in the International Plant Analytical Exchange programme co-ordinated by the Wageningen Agricultural University had a very beneficial effect on analytical standards and it was extremely pleasing that by the end of the year the Central Laboratory results for the check samples did not differ significantly from the averages of the results from all 252 laboratories involved in the scheme.

During the year the Chief Analyst visited all field and factory laboratories to co-ordinate a programme to identify and dispose of old and excess stocks of analytical reagents. As a result of the programme a significant reduction in stocks held by laboratories will certainly improve safety in these work places.

Cane Nutrition:

Leaf analyses indicated that only 5,624 acres of cane required application of supplementary nitrogenous fertilizer as opposed to 21,452 and 14,241 acres in 1992 and 1991 respectively.

In the last quarter of the year a number of fields at each estate received urea as the basal nitrogenous fertilizer, in place of the usual ammonium sulphate, as part of a programme to determine whether or not urea is agriculturally acceptable (as theory suggests it should be) on the soils of the cane belt.

A number of trials to refine nitrogenous fertilizer recommendations for the newer varieties were established. Although there are suggestions that DB 7160 may have a lower foliar critical level for nitrogen than other varieties there are no indications to-date that fertilizer policies will require any

significant adjustment with these varieties.

Low grade phosphate lime (LGPL) recommendations were made for some 23,000 acres at an average of 2 tons/acre and a paper published in "Tropical Agriculture" demonstrated that LGPL could provide the phosphorus requirements for a crop over an extended period on a range of soils.

Land Management:

Land management studies in the ridge and furrow project at Montrose at LBI were hindered by heavy rain in November which interfered with the loading of the fields. The rains also adversely affected the row spacing trials at Non-Pareil and Foulis at Enmore where results were further compromised by severe damage from *Castniomeria licoides*, which attacked as many as 50% of all stalks at Non-Pareil. In these cases yields tended to reflect the degree of *Castniomera* damage rather than the effects of experimental treatments.

Despite these problems the trial data at the first ratoon indicated that, as in plant cane, there was no real difference between cane yields on land prepared under a minimum tillage programme by the Howard paraplow and on land prepared by conventional tillage and that there was no significant cane yield benefit from a reduction in row spacing from 70 inches to 36 inches. It is not known if the reduction in row spacing gave any weed control benefits.

The trials at Enmore are established in froghopper endemic areas but were for a time planted with "other crops" before being planted with cane two years ago. To-date the fields have not been damaged by froghopper and this suggests the possibility that a period of green fallow on reef sands may be a useful management tool for froghopper control.

Physiology and Biochemistry:

During 1993 ten commercial scale ripening trials were conducted at five estates. The results confirmed that both "Round-up" and "Fusillade Super" enhance cane quality when applied during the rains to cane to be reaped during the first weeks of the crop.

Agricultural Operations

"Round-up" gave consistent results across the industry while "Fusillade Super" was the more effective at the wetter West Demerara estates than in Berbice.

The growth regulator "Ethrel" had no positive effects on cane quality either applied alone or when application was followed after a period of weeks by an application of "Fusillade Super" in the latter case the response did not differ from that of "Fusillade Super" applied alone. It is known that sucrose enhancement responses to "Ethrel" are varietal specific and this aspect of cane ripening will be investigated further in 1994 with reference, indeed, not only to "Ethrel" but also to responses to "Round-up" and "Fusillade Super".

During the ripening studies it was noted that, as elsewhere, "Ethrel" suppressed flower development. The possible benefits of this response as regards cane and sugar yields in a free-flowering variety such as D 158/41 will be studied in 1994.

For the present it appears that sucrose enhancement, even if on a limited scale, has some economic potential and it is intended that larger scale work, with up to 1,000 acres treated in total, will be carried out in 1994 to further refine the technology.



FACTORY OPERATIONS

Once again factory operations benefited from an ample supply of cane during 1993. However, compared with 1992 which was an exceptional year for cane quality, the cane received by the corporation's eight factories was of marginally lower polarisation.

Cane quality in 1993 was affected not only by the November rains but by disjointed grinding patterns caused both by weather and industrial disputes. Notwithstanding these problems, the volume of cane milled exceeded recent years and was the largest crop since 1986.

The production time lost from industrial disputes during 1993 totalled 1895 hours compared with 1545 hours lost in 1992. The factory worst affected by industrial relations problems in 1993 was

Finance:

Sufficient funds were available to cover routine maintenance and a modest capital replacement programme.

However, funds for a major rehabilitation programme are still not in place and, as a result, the reliability of factories still gives cause for concern likewise the potential to achieve technical efficiency improvements has not been realised.

Staff:

Attrition rates increased during 1993 particularly among factory engineers. Efforts to recruit mature people with sugar experience have not proved successful.



An adequate and reliable power supply is crucial to efficient factory operations: a worker monitors gauges of a modified boiler.

Blairmont which lost two consecutive weeks due to disputes over cane scale weights. The total lost by Blairmont was 652 hours for the year.

Factory Operations and Efficiencies:

The main points affecting factory efficiency were as follows:

However, the Corporation has managed to recruit several management trainees and now has a total of fourteen, six of whom are young graduate engineers.

Training:

In house training schemes continue to absorb much of the time of Headquarters technical staff.

Factory Operations

Management trainees have been put on a longer course structured to give exposure to all aspects of Factory operations with increasing amounts of responsibility as they progress. In this way, well rounded junior managers are trained in about 18 months, depending on past experiences.

Process Control:

During 1993, 3,171,818 tons of cane were processed compared with 3,080,273 tons in 1992 and is an increase of 2.97%.

Sugar produced for the year was 242,640 tons compared with 243,010 for 1992 and represents a reduction of 0.15%. This decrease is accounted for by reduced cane quality caused by both disjointed grinding patterns and delay in cane ripening caused by the effects of weather.

In some cases delays in harvesting burnt cane, caused the juice to be discarded with zero

same level over both years, the lost time for factory breakdowns being 4,412 and 4,510 hours for 1992 and 1993 respectively. Total grinding hours were 1992 - 29,629 hours and 1993 - 30,331 hours. Factory overall recovery showed a positive variance of 0.5%. This improvement in overall recovery accounts for an extra 1,235 tons of sugar (98.25 pol basis).

The major contributing factor in establishing an improvement in overall recovery was the 1.16% increase achieved in mill extraction, bringing the level in 93 to 90.00% - the best mill extractions achieved since 1978.

Boiling house recoveries showed a downward trend of 0.64%, which was to be expected with a downturn in mixed juice purity of 0.95%. The boiling houses did well to hold final molasses purities at the same level over the last two years.

The consolidated Factories Recoveries for 1993 compared with 1992 are as follows:

	1993	1992	% Change
Cane Ground Tons	3,171,818	3,081,033	+2.97
Sugar Made Tons	242,640	243,010	-0.15
TC/TS	13.07	12.68	+3.07
Pol % Cane	9.78	10.15	-3.64
Fibre % Cane	17.58	19.49	-9.8
Mixed Juice Purity	77.77	78.52	-0.95
Grinding rate TCH	104.58	103.96	+0.6
Mill Extraction	90.00	88.97	+1.16
Boiling House Recovery	85.19	85.74	-0.64
Overall Recovery	76.67	76.29	+0.5
Factory Time Efficiency	87.06	87.03	+0.03
Overall Time Efficiency	65.36	70.56	-7.36

production, this also increased the tons cane/tons sugar ratio.

The reduction in the overall time efficiency reflects the increased time lost due to bad weather. This increased from 3.217 hours in 1992 to 5.987 hours in 1993.

Factory time efficiencies remained at about the

Development & Engineering:

Maintenance standards continued to be reviewed during the year and again a boiler specialist from Thorne International Boilers Ltd., was asked to make a second visit to consolidate the successes of the visit made during 1992.

The Corporation's milling plants were modified by

Factory Operations

reducing the angle of the mill roller by grooving from 55 to 45 degrees. this to improve mill drainage and grip on the bagasse blanket passing through the mills. The modification was a factor in improving mill performance.

Factory capital projects undertaken for the year included the following.

- New battery of three high grade centrifuges at Skeldon Estate
- New 20 ft x 10 ft vacuum filter at Albion and replacement of the No. 3 boiler chimney and new boiler water management controls
- The installations of a Fletcher Smith short retention clarifier at Rose Hall to replace the three ancient Bach clarifiers
- Work on the punt dumper to replace the troublesome cane crane was started at Blairmont Estate. Also. new boiler water management controls
- New boiler water management controls at Enmore Estate
- Replacement of a boiler chimney at LBI/Diamond Estate
- The installation of a battery of two continuous L.G. centrifuges at Wales Estate
- The installation of a new 16ft x 8ft vacuum filter at Uitvlugt Estate
- The conversion of the road weighbridge to electronic load cells at the Demerara Sugar Terminal.
- Upgrading of pumping units continued on all estates.

The Equipment Conservation Centre at Ogle and the Instrument and Electrical Workshop at LBI made a worthwhile contribution throughout the year and were involved with many of the capital projects.

Energy Production & Fuel Utilisation:

A total of 61,308 Megawatt Hours was produced by factory power plants in 1993. This amount is an increase of 22.59% on that generated in 1992. Of the total power produced 41,860 MWh was produced utilising steam generation (68%), compared with 54% steam utilisation in 1992. Diesel plants produced 19,248 MWh, a reduction of 14.96% on the diesel power produced in 1992.

The utilisation of fuel also improved from 65.95 to 63.35 gallons /MWh, reflecting continued improvements in maintenance of Diesel engines, many of which are more than 25 years old.

These improvements in efficiency reduced the fuel bill by 3.95%, and a further 11% being saved by better utilisation of steam turbines. The volume of fuel used during 1993 was 1,219,332 gallons.

As predicted, the large turbo alternators installed at Albion/Port Mourant, LBI and Uitvlugt Estates resulted in reductions in fuel of 22.5%, 55.41% and 43.9% on those locations respectively.

Significant amounts of wood were used at Albion/Port Mourant, Enmore, Wales and Uitvlugt/Leonora Estates; This was largely due to bagasse shortages during the latter half of the second crop; The shortages were caused by weather induced mill stoppages and the need to liquidate process house stock.

Generators:

The 400 KW Caterpillar high speed diesel generators purchased in 1992 have been of much benefit during 1993. Enmore experienced problems with its 500 KW Allen generator and then had to contend with the extra power demand imposed by flooding due to a breach in the sea wall.

Also at Demerara Sugar Terminal (DST) a new Caterpillar generator was used to provide power for sugar loading during periods of power cuts from GEC.



SUGAR MARKETING

After an exceptionally favourable 1992 - when EU quota shipments in that calendar year were abnormally high and both 1991/92 and 1992/93 US sugar quotas were filled - sugar marketing returned to a more normal pattern in 1993.

Local Market:

Sales of brown sugar for domestic use were 21,172 tons compared with 18,057 tons in 1992. 1852 tons of refined sugar were also sold compared with 1,857 tons in 1992. This grade of sugar, which Guyana does not produce, is required by industrial users and is imported.

EU Market:

Guyana met its full commitment under the Sugar Protocol for the quota period ending 30th June 1993. After years of shortfall, Guyana since 1991/92 has re-established itself as a reliable and major supplier in this vital market.

In 1992, Guyana was asked by the U.K Refiners to accelerate shipments because of other suppliers' shortfalls and therefore shipped more EU quota than normal. Quota years run from 1st July to 30th June, so accelerated shipments in one year are balanced by a slow down in shipments in the succeeding year. In 1993, shipments to the EU under the Sugar Protocol returned to a more normal level.

The basic EU price, which is negotiated annually to take effect from 1st July, was again frozen in 1993. The overall result of currency movements, the changing value of the US\$ compared with the ECU and the G\$ compared with the US\$ led to a reduced price of \$76,600 per ton for EU shipments in 1993 compared with \$79,000 per ton in 1992.

Again in 1993 the authorities in the European Union postponed the review of their Common Agricultural Policy including the sugar regime. It had been expected since 1991 that a new regime, most importantly including permanent arrangements for the ACP supply of sugar to Portugal and other deficit areas in the EU, would be implemented. However, the diversion of attention caused by the long drawn out GATT trade negotiations led to the review being postponed again and again. Now that a GATT agreement has been successfully concluded

a new sugar regime will definitely be put in place with effect from 1st July 1995.

US Market:

In October 1993 Guyana shipped its 1993/94 US quota of 11,214 tons. This compares with the exceptional year of 1992 when Guyana shipped 28,217 tons consisting of both 1991/92 and 1992/93 quotas.

Caricom Market:

In 1993 Guyana made considerable progress in developing markets in Caricom. Sales totalling 14,680 tons were made compared with 1,747 tons in 1992.

Our customers in Caricom have expressed satisfaction with the quality of our sugar and the reliability of supply. The Common External Tariff of 45% on brown sugar is now applicable in Caricom countries in respect of extra-regional sugar and this has been a factor in developing Guyana's markets for sugar in the region.

World Market:

Guyana's sales at world market prices increased substantially to 39,745 tons in 1993 compared with 7,824 tons in 1992. Canada tends to be our preferred world market destination because of favourable freight rates, a small Commonwealth preference and prompt and reliable payment. However, opportunities in other markets are carefully investigated if surplus sugar becomes available and towards the end of 1993 a promising market next door in Suriname was being developed.

Prospects for 1994:

Prospects are that 1994 will see a significant reduction in revenue from EU sugar sales both because of lower tonnage shipped and because of lower average prices.

Tonnage shipped to the EU will be lower in the calendar year 1994 because more EU sugar was shipped in calendar years 1992 and 1993 combined than Guyana's quota strictly allowed and in 1994

Sugar Marketing

the balance has to be restored. Guyana's annual EU quota is 163,000 tons - quota periods run from 1st July to 30th June.

At the same time the pressure on prices in the EU are continuing: in 1994 we are projecting another freeze in the basic price from 1st July 1994 as well as a lower overall average price in USA terms because of unfavourable movements in exchange rates. The overall results is that we expect to ship 155,000 tons in 1994 to the EU at an average price of US\$565 per ton compared with 168,000 tons in 1993 at an average price of US\$594 per ton.

Sugar sales in other markets are expected to remain at about the same levels in 1994 as in 1993 except that sales to Caricom countries are projected to climb from 15,000 tons in 1993 to 20,000 tons in 1994. A somewhat better average price is projected for sales in the world market in 1994 compared with 1993.

In respect of access for our sugar we can be a little more certain - and rather less gloomy - about the prospects.

NAFTA:

In the run-up to the US Congress vote on NAFTA, the US and Mexico exchanged letters of agreement which makes it most unlikely that Mexico will become a "net surplus producer" of sugar. US sugar quota holders, including Guyana, therefore have the protection contained in this important side agreement and quotas at the existing level would appear to be secure.

GATT and the review of the EU Sugar Regime:

The impact of the GATT agreement on trade in agricultural commodities is impossible to quantify exactly because so much depends on future trends in prices, production, consumption and trade and on how the agreement is implemented in detail.



Her Majesty, Queen Elizabeth II in 1994 signs the Visitors' Book at GUYSUCO's Agricultural Research Centre while the Duke of Edinburgh reflects on a photographic record of an earlier visit.

Longer term prospects - NAFTA and GATT:

With the successful conclusion of NAFTA and of the Uruguay Round of GATT negotiations there has been considerable speculation - much of it gloomy - about the trading prospects of developing countries.

In respect of sugar, however, the ACP sugar quotas in the EU of 1.305 million tonnes contained in the Sugar protocol are preserved in the GATT agreement - a matter of crucial importance.

In the review of the EU sugar regime currently tak-

Sugar Marketing

ing place, a strong case has been made for ACP Sugar Protocol quota holders to obtain additional access in the EU at the guaranteed price supplying deficit areas and in particular Portugal. Should this additional access be agreed Guyana's share is estimated at approximately 30,000 tons.

In respect of future prices for EU quota sugar, various estimates indicate a reduction of 5% to 15% in the long term - a reduction of 10% seems to be a reasonable estimate. In this connection it should be noted that even without a GATT agreement the pressure to reduce prices within the EU sugar regime itself was indicating a reduction of about the same order in the period up to the year 2000.



PERSONNEL

HUMAN RESOURCES MANAGEMENT

The total number of managerial staff in the organisation at December 31, 1993, was 422 as compared with 399 at the end of 1992.

Movement of staff was as follows:

- 27 appointments as compared with 31 in 1992
- 9 promotions as compared with 22 in 1992
- 6 resignations as compared with 17 in 1992
- 5 retirements as compared with 8 in 1992

JUNIOR STAFF (ESTATES)

The Department approved the following Junior Staff movements during the year:

- 52 appointments as compared with 226 in 1992
- 21 promotions as compared with 197 in 1992

11 employees were medically discharged in 1993 as compared with ten (10) of the previous year.

EX-GRATIA PENSIONS

Three hundred and ninety-six (396) awards were made in 1993 as compared with 288 in 1992.

HONOURS ROLL SCHEME

Under this Scheme 11 Champion Workers and 15 Runners-up were selected. The champions and their spouses were awarded a five-day holiday in Georgetown and environs.

NATIONAL AWARDS

Mr. John Bart, Administrative Manager - Blairmont Estate was awarded the Golden Arrow of Achievement (AA) and Mr. Harshakumar Singh, Dragline Operator also of Blairmont Estate, the Medal of Service (MS).

HUMAN RESOURCES DEVELOPMENT

Apprentice Training

There continues to be significant improvement in the management of apprentice training.

The Apprentice Supervisory Committee continued to give administrative support to the Centre.

1993 Graduates

Seventy (70) Engineering Apprentices including twelve (12) females graduated in July 1993, as follows:

Agricultural Mechanics	-19
Automotive Electricity	-10
Fitting and Machining	-19
Industrial Electricity	-10
Instrument Repair Mechanics	-12

1993 Entrants

The intake for 1993 was sixty-nine (69) including two (2) females.

Foremen/Chargehand Training

Two (2) groups of eight (8) Foremen and Chargehands were trained in the annual six-month residential programme.

Adult Evening Classes

- (a) 104 persons from the Community participated in an eighteen-week Introductory Course in:

- (i) Agricultural Mechanics;
- (ii) Electrical Installation; and
- (iii) Fitting and Machining

- (b) Ten (10) employees from the Berbice Estates took the Advanced programme in:

- (I) Fitting and Machining; and
- (ii) Agriculture Mechanics

Personnel

Senior Technical Trainees

There were nineteen (19) Management Trainees at the beginning of 1993. Fourteen (14) were still undergoing the 24-month training programme - nine (9) Chemists and five (5) Engineers at the end of 1993. The programme included four (4) months at the GUYSUCO Training Centre/Port Mourant.

Of the remaining five (5), two (2) have since been confirmed as Chemist/Shift Managers. Two (2) Engineers and one (1) Chemist resigned.

Bursary Awards

Ninety-one (91) awards were made in 1993 to the value of \$574,442, as the Company's contribution to the education of employees' children at the Secondary School level.

Mechanical Engineering - 2 (Guyana)
Agriculture - 1 (UK)

Guyana School of Agriculture

There were at the end of 1993 also 14 employees at the Guyana School of Agriculture, pursuing studies leading to a Diploma in Agriculture.

GUYSUCO donated \$516,522 to the Guyana School of Agriculture towards the purchase of needed text books and \$120,000 towards the purchase of mattresses for the dormitory.

Sugar Boiler Training

Six (6) Adult Sugar Boiler Trainees and one (1) Apprentice received training at the cost of \$600,900.



Recognising the nexus between people and production: efforts to develop the human resources of the Industry by training Trainers.

Training Awards

At the end of 1993 there were twelve (12) Cadets in the following disciplines:

Sugar Technology - 2 (Australia)
Accountancy - 1 (UK)
Chemical Engineering - 1 (UK)
Electrical Engineering - 3 (Guyana)

Specialist Training

During 1993 eleven (11) senior managers attended training courses and conferences overseas relevant to the various activities of the organisation operational units.

A second group of Secretaries completed a 31-week course at the Government Technical Institute.

Personnel

Centrally Organised Courses

The Association of Accounting Technicians (AAT):

- Forty-five (45) Junior Employees from the Estate Local Accounts Offices and Head Office began Level I of the AAT programme, out of which thirty-nine (39) persons moved into the level II study in July 1993.
- Thirteen (13) persons began level III studies.

Health Services

The Primary Health Care Programme got well underway in 1993, in spite of vacancies for practical Nurses, Estate Medical Officers and the inability to attract Medex into the organisation.

with several training courses being conducted for 60 managers and 50 supervisors.

Four one-day seminars were conducted, each in the Berbice and Demerara Regions to heighten Managers' sensitivity to their obligations for safety, health and welfare of the employee at work. Sixty (60) managerial staff participated.

First Aid

250 First Aiders were trained during the year, as well as seven (7) Para-Medical personnel who were trained as trainers by United Kingdom representatives of the St. John's Ambulance Brigade.

Estate Safety Committees, re-established during the previous year, continued their activities throughout 1993.



Emphasising biological control of insect pests, and renewed and expanded efforts in occupational health and safety and environment: Agricultural Operations Director, Dr. David Eastwood, examines gloves and other protective wear designed with attention to the local climate.

Occupational Health and Safety

The revitalisation process of occupational health and safety continued through 1993.

The employee sensitisation programme was pursued

Safety Booklets were designed, published and distributed to all employees.

Copies of the Corporation's Policy Statement on Occupational Health and Safety were also distributed to Estates for the widest possible

Personnel

display.

were represented in the National Football and Athletics Teams.

Medical Examinations



The Annual Medical Examinations of all Senior Staff members were completed and a high incidence of hypertension and high cholesterol levels was noticeable.

Clinics were conducted for 234,204 attendees - with a prevalence of hypertension, diabetes and heart disease.

Health Teams

Health Teams have been introduced on all estates, to monitor the health status of employees.

Contributory Hospitalisation and Maternity Scheme.

At the end of 1993, the total number of employees who were members of the Scheme was 4,239. At an average of three (3) dependants per employee, estimated membership was 16,656.

Community Welfare

The revitalisation of the Industry's welfare programme saw the number of Community Centres under the control of estate managements move from four (4) in 1992 to seven (7) in 1993.

There was tremendous upsurge in the promotion of Cricket in rural areas. Further, as a result of sponsorship, Regional Matches, Red Stripe and Geddes Grant Matches were played at Skeldon, Blairmont and Enmore.

High levels of involvement in the sports programme contributed to its overall success, and outstanding performances by GUYSUCO's Athletes.

The Berbice Inter-County Cricket Team included nine (9) estate employees, while five (5) played on the National Under-19 Team in the Telecom West Indies Competition. One was eventually selected for the West Indies Youth Team that toured England.

In other fields of endeavour, GUYSUCO employees

INDUSTRIAL RELATIONS

Wages:

Wages were increased by 21% with effect from 1st March, 1993. The minimum wage was increased from \$237.80 to \$300.00.

Incentive:

Workers earned an aggregate of 155 days pay under the Corporation's Weekly Production Incentive. Annual Production Incentive of 16 days pay was paid for a production of 242,640 tons.

Labour requirements were met in both Field and Factory.

Mandays Lost:

Mandays lost through strikes and work stoppages

were 126,233 in 1993, compared with 198,582 in 1992. Wages lost through work stoppages were \$71.9M compared with \$82.7M in 1993. While mandays lost were less, the number of strikes was greater.

These strikes unfortunately, in many instances, occurred during prime production time resulting in the Crops being harvested later than planned and during rainy season. The Industry's work programme was adversely affected and suffered some degree of loss in production and damage to field infrastructure and dams.



Reviving the tradition of excellence in Sports: Mr. Joe Solomon, Sports Adviser, conducts sessions for Groundsmen.

DIVERSIFIED CROPS

The operations of the Diversified Crops Division in 1993 took place in the context of the policy decision to assist with a view to concentrating corporate attention on the core activities of cane cultivation and sugar production.

LIVESTOCK OPERATIONS

In 1993 Versailles produced 58,198 Imperial gallons of milk, whereas Liliendaal's production was 50,759 Imperial gallons. Production at these two locations was therefore appreciably below that of the previous year, when 88,253 and 68,064 gallons were recorded at Versailles and Liliendaal respectively. Versailles' 1993 production was in fact less than half what it was in 1991. This decline in production which is particularly significant at Versailles, not only directly relates to serious lack of inputs such as feed concentrates and adequate pasturage but is as much due to low morale and waning enthusiasm displayed by dairy personnel in the face of pending divestment and an uncertain future.

Average animal productivity was 1.04 gals/cow/day at Versailles and 1.72 gals/cow/day at Liliendaal, and as reported for production, reflected a declining trend over the last two to three years. As in the previous year, Versailles' forage was supplemented by regular supplies transported across the Demerara Harbour Bridge from Liliendaal. Some pasture rehabilitation inclusive of drain-clearing was completed during the year at Versailles, to the extent of 68.8 acres reploughed and replanted with Antelope grass mainly, but also incorporating approximately 10 acres in total of Tanner and Giant Elephant grass. Establishment of the restored pasture was assisted by mechanical irrigation, as well as by fertiliser application and weed control. Budgetary considerations did not permit the re-establishment of additional pasturage at Versailles, and in consequence will severely limit the availability of good, adequate forage in the immediate future. On the other hand the quality of forage coming out of Liliendaal continued to be acceptable, and in reasonable supply, due in large measure to that location's facility to irrigate and its good soil fertility.

Mortality among the breeding cows at Versailles was particularly high at 22.7%, with most of the

deaths occurring earlier in the year from tick-fever. The above normal level was a continuation of the tick-fever incidence from late 1992 when the disease was first imported from Liliendaal with supplied forage.

The mortality level was reduced later in the year and has since stabilised. The comparable mortality level for breeding cows at Liliendaal during 1993 was a low 5.73%, where just nine production cows succumbed from various causes. Calf mortality at Versailles and Liliendaal of 17% and 19% respectively, was the other significant area of concern, where the majority of the deaths occurred at the pre-weaned stage. It is likely that the lack of infusion of new breeding material in the last few years may have been contributory. There were 140 calves born at Versailles and 101 at Liliendaal during 1993, compared with 300 and 146 respectively in the previous year. However, this appreciable reduction in calf births is partly accounted for by the more exacting culling programme that was adopted during the year, in which 13% and 16% respectively of the breeding cows at Versailles and Liliendaal were found unsuitable for retention in the production herd.

The opening stock of 797 head of cattle at Versailles was reduced to 690 at the end of the year, whereas at Liliendaal the comparable stock data was 320 at the beginning and 325 at the end of 1993. Herd stability at Liliendaal was effectively maintained through culling, transfer of bulls and increased sale of surplus stock.

Dairy farming on the coast continued to benefit from the acquisition of breeding stock from the Liliendaal and Versailles dairies, which responded to increased requests for Holstein bulls, and made available surplus heifers as well. This contribution from GUYSUCO's dairy programme will in the long term prove to be of inestimable value to national dairy development on the coast.

Sheep

With the decision taken to phase out the sheep unit independent of the divestment of the dairies, the Liliendaal flock was significantly reduced during the year principally through sales of live lambs.

Diversified Crops

From an opening stock of 256 animals, sales accounted for 249 out of 300 live births, and the closing stock of 143 sheep reflected the planned reduction in the programme.

considerations apply to the citrus orchard at Uitvlugt and tilapia rearing at Blairmont.



Bearing in mind the regular utilisation of Liliendaal's sheep rearing unit by educational institutions, REPAHA was encouraged to acquire a small flock of Liliendaal's Black Belly to facilitate practical teaching after the unit is closed. REPAHA's positive response to this suggestion ensures that a facility would continue to be available not only for use by schools, but as a source of Black Belly breeding material for local sheep farmers.

Dairy Processing

Cheese production at the Versailles processing Unit has become a routine operation, to the extent that a consistent quality of product is maintained. Consequently, apart from a few problems associated with proper plant functioning and maintenance during the year, due to some extent to the unreliable power supplies from G.E.C, cheese production and the curing process continued throughout the year. 42,357 kg of cheese was produced in 1993 from 110,377.5 gallons of milk at a conversion ration of 1.18 gallon milk/lb cheese. This production compares with 33,836 kg cheese processed in 1992, the increase of which is accounted for by the augmented supplies of milk to the processing plant from both Liliendaal and Uitvlugt Estate dairies. Butter processing continued to be minimal and just 416 kg was produced in 1993, as was the small production of low-fat cheese for the diet-conscious market. This restricted production is due to the inability to dispose of excess skim-milk whenever butter is processed beyond a level commensurate with that which can be absorbed by low-fat cheese processing.

Other Diversified Crops Activities

It is noted that both Uitvlugt/Leonora and Rose Hall estates carry dairy operations which provide milk and a limited supply of beef for workers and staff at competitive prices. These dairy activities as well as the small beef unit at Albion Estate are being reduced to a minimum scale so that apart from ensuring that they pay for themselves, their impact on sugar operations would be negligible. Similar

GUYANA SUGAR CORPORATION LIMITED
STATISTICAL SUMMARY 1984-1993

Number of factories	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Average harvested	10	10	10	8	8	8	8	8	8	8
Tons Cane Milled ('000)	125,926	107,526	112,875	106,039	85,823	86,303	91,372	93,307	99,891	98,142
Yield:										
Tons Cane/Acre	27.54	29.93	29.66	29.23	28.90	29.56	22.10	24.57	30.84	32.31
Tons Cane/Tons Sugar	14.34	13.24	13.64	14.03	14.80	15.41	15.54	14.36	12.68	13.07
Tons Sugar/Acre	1.92	2.26	2.17	2.08	1.95	1.91	1.42	1.71	2.43	2.47
Sugar production(Tons)	241,861	243,000	245,440	220,995	167,550	164,800	129,920	159,690	243,010	242,640
Molasses production ('000 gals)	21,406	19,506	21,614	19,962	26,741	15,375	11,474	13,363	18,741	19,311
Home Consumption: Sugar (Tons)	34,731	28,396	31,243	42,252	35,846	28,511	27,610	23,875	19,914	23,291
Molasses ('000 gals.)	8,874	12,240	11,380	13,201	12,529	13,932	10,561	13,363	18,084	17,979
Exports: Sugar (Tons)	205,371	214,543	213,609	176,463	134,828	160,979	129,767	159,430	232,711	219,093
Molasses ('000 gals)	12,532	7,266	10,234	6,757	4,181	1,214	906	-	657	1,326
Sales:										
Local Sugar (GSM)	26.70	40.40	50.30	68.00	58.30	173.00	406.00	1,049.30	984.06	1,143.12
Average Price/Ton(GS)	769.00	1422.00	1,610.00	1,610.00	1,626.00	6,070.00	14,708.00	43,953.00	49,416.00	49,080.00
Export Sugar (GSM)	271.50	286.60	356.70	971.70	710.20	2,309.76	3,265.80	75,105.00	15,965.00	14,971.88
Average Price/Ton (GS)	1,322.00	1,336.00	1,670.00	5,506.00	5,267.00	14,348.00	25,167.00	293.10	68,604.00	68,336.00
Molasses (GSM)	7.50	5.20	20.50	34.90	23.40	42.80	70.20	21.94	384.44	398.86
Average Price/Gallon (GS)	0.35	0.26	0.95	1.75	1.40	2.78	6.11	-	20.51	20.65
EXPENDITURE:										
Employment Costs (GSM)	201.90	184.30	207.60	294.20	302.90	515.10	980.50	2,703.70	4,873.10	6,041.00
Including Profit Share (GSM)				10.5	-	6.0	9.5	30.0	40.0	37.4
(Materials and other)(GSM)	137.30	171.30	186.50	295.00	305.10	984.10	1,780.71	5,892.42	6,954.94	6,415.60
Operating Results Before Local Subsidy and Interest (GSM)	(31.80)	(22.10)	35.40	83.20	106.10	293.10	321.87	559.87	573.64	780.45
Local Subsidy (GSM)	31.30	0.00	0.00	53.10	89.90	241.60	282.20	178.92	0.00	0.00
Interest Expense (GSM)	39.20	55.70	21.60	9.60	4.80	16.60	1.20	322.78	179.34	19.73
Surplus (Deficit) before tax (GSM)	(102.30)	(77.80)	13.80	20.50	11.40	34.90	38.47	58.17	394.30	760.72
Avg. Mid Market exchange rate GS/US\$	3.86	4.25	4.27	9.77	10.00	27.25	39.00	119.45	124.95	126.86

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
GUYANA SUGAR CORPORATION LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993**

We have examined the financial statements set out on pages 31 to 45 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, the financial statements give a true and correct view of the state of affairs of the Company at 31 December 1993 and of the results of its operations and cash flows for the year then ended.

**DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS**

**77 Brickdam,
Stabroek, Georgetown,
Guyana**

11 May 1994

GUYANA SUGAR CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1993

	Notes	G\$000	1992 G\$000
Sales	2	13,237,045	12,401,682
Profit before taxation	3	760,716	394,299
Taxation	4	231,580	78,232
Net profit after taxation		529,136	316,067
Valuation surplus on disposal of fixed assets transferred from reserves	5	25	361
Retained profit for the year		529,161	316,428

STATEMENT OF ACCUMULATED LOSSES/RETAINED EARNINGS

At 1 January	(13,543)	(329,971)
Retained profit for the year	529,161	316,428
At 31 December	<u>515,618</u>	<u>(13,543)</u>

GUYANA SUGAR CORPORATION LIMITED

BALANCE SHEET

AT 31 DECEMBER 1993

	<u>Notes</u>	<u>G\$000</u>	<u>1992</u>
		G\$000	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	5,368,935	4,159,763
Deposit on shares	6	14,885	14,885
Accumulated losses/retained earnings		<u>515,618</u>	<u>(13,543)</u>
Shareholders' funds		6,397,975	4,659,642
Debenture	7	143,636	143,636
Loans	8	<u>299,535</u>	<u>513,255</u>
		<u>6,841,146</u>	<u>5,316,533</u>
Represented by:			
Fixed assets	9	5,799,291	4,181,498
Investments	10	304	304
Net current assets	11	<u>1,041,551</u>	<u>1,134,731</u>
		<u>6,841,146</u>	<u>5,316,533</u>
 Vickram H. Oditt Director			
 G.N.Hilary Director			

GUYANA SUGAR CORPORATION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1993

	G\$000	G\$000	G\$000	<u>1992</u> G\$000
Net cash inflow from operating activities (Note a)		1,027,747		190,720
Returns on investments and servicing of finance				
Interest received	65,712		104,866	
Interest paid	<u>(85,445)</u>		<u>(284,206)</u>	
Net cash outflow from returns on investments and servicing of finance		(19,733)		(179,340)
Taxation				
Taxes paid		(170,210)		(6,522)
Investing activities				
Payments to acquire tangible fixed assets	(2,281,106)		(2,015,367)	
Receipts from sale of tangible fixed assets	<u>68,969</u>		<u>2,842</u>	
Net cash outflow from investing activities		<u>(2,212,137)</u>		<u>(2,012,525)</u>
Net cash outflow before financing		(1,374,333)		(2,007,667)
Financing:				
Loan drawdown	64,890		235,161	
Repayment of loans	(403,564)		(351,237)	
Rehabilitation and Development Fund and other reserves	<u>1,209,197</u>		<u>2,503,388</u>	
Net cash inflow from financing		<u>870,523</u>		<u>2,387,312</u>
Increase/ (decrease) in cash and cash equivalents (Note b)		<u>(503,810)</u>		<u>379,645</u>

GUYANA SUGAR CORPORATION LIMITED

NOTES TO CASH FLOW STATEMENT

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

	<u>1992</u>	
	G\$000	G\$000
Operating profit	760,716	394,299
Interest paid net	19,733	179,340
Depreciation	642,714	278,536
Unrealised loss on exchange	19,342	37,647
Loss on disposal of investments		2,210
Profit on disposal of fixed assets	(48,370)	(1,929)
Increase in inventories	(434,331)	(1,184,569)
(Increase)/decrease in cattle	(13,531)	12,007
(Increase)/decrease in unsold produce	(131,807)	776,699
Increase/(decrease) in debtors and prepayments	597,582	(347,437)
Decrease in external payments deposits		11,963
Increase in creditors and accruals	145,175	1,222,397
Decrease in export levy	(500,000)	(600,000)
Decrease in accrued interest	(29,476)	(590,443)
Net cash inflow from operating activities	<u>1,027,747</u>	<u>190,720</u>

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

Balance at 1 January	1,297,626	917,981
Net cash inflow/(outflow)	<u>(503,810)</u>	<u>379,645</u>
Balance at 31 December	<u>793,816</u>	<u>1,297,626</u>

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

	<u>1993</u>	<u>1992</u>	<u>Change in the year</u>
	G\$000	G\$000	G\$000
Cash on hand and at bank	793,816	2,270,701	(1,476,885)
Bank overdraft		(973,075)	<u>973,075</u>
	<u>793,816</u>	<u>1,297,626</u>	<u>(503,810)</u>

GUYANA SUGAR CORPORATION LIMITED

NOTES ON THE ACCOUNTS

I. 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 and the accounting policies conform with International Accounting Standards except where specifically stated.

(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
Leaschold 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.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

1. Significant accounting policies - (c) cont'd

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. Where markets are identified for unsold produce, the net realisable value is used.

(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.

(c) 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 dollars at the rates of exchange ruling at the date of such transactions. At the balance sheet date, foreign currency assets and liabilities are translated at the rates of exchange ruling at that date and resulting gains and losses are recognised in the profit and loss account.

(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 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 Schemes in 1987 and 1988 revealed that the Schemes were in surplus of \$3.1 million and \$65.6 million respectively. The next actuarial valuations due as at 31 December 1991 and 31 December 1992 respectively have not been completed.

ii) Employees who have retired and are not members 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.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

1. **Significant accounting policies - cont'd**

(i) **Deferred Taxation**

Deferred taxation is not provided for because there is a reasonable probability that a liability will not crystallise in the foreseeable future in view of the Company's expansion programme. At 31 December 1993 the major timing differences arose from capital expenditure and the amount not provided for amounted to \$423.8M

2. **Sales and exports levy**

	G\$000	<u>1992</u> G\$000
Sales		
Sugar and molasses	16,513,862	17,332,917
Diversified crops	<u>82,380</u>	<u>39,437</u>
	<u>16,596,242</u>	<u>17,372,354</u>
Export sales levy		
Amount payable (provisional)	7,968,409	8,673,849
Remitted by Government	<u>(4,609,212)</u>	<u>(3,703,177)</u>
	<u>3,359,197</u>	<u>4,970,672</u>
	<u>13,237,045</u>	<u>12,401,682</u>

Under Section 6 (l) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit G\$ 4,609,212,262 (1992 - G\$3,703,177,458) of the Sugar Levy payable under the Sugar Levy Act of 1974 (as amended).

	G\$000	<u>1992</u> G\$000
3. Profit before taxation	760,716	394,299

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

Provision for stock obsolescence	-	715,621
Depreciation	642,714	278,536
Audit fees	2,240	2,000
Net loss on exchange	6,129	20,352
Interest expense	85,445	284,206
*Provision for ex-gratia pensions	77,638	75,998
Interest income	<u>(65,712)</u>	<u>(104,866)</u>

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

3. Profit before taxation - cont'd

*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.

		1992
	G\$000	G\$000
4. Taxation		
Corporation tax	22,723	-
Capital gains tax	9,674	-
Property tax	<u>120,460</u>	<u>86,927</u>
	152,857	86,927
Prior years (overprovision)/underprovision	<u>78,723</u>	<u>(8,695)</u>
	<u>231,580</u>	<u>78,232</u>

5. Capital reserves

	(a)	(b)	(c)	(d)	
	Rehabilitation and Development <u>Fund</u>	Sugar Industry Rehabilitation <u>Fund</u>	<u>Valuation</u>	<u>Other</u>	<u>Total</u>
	G\$000	G\$000	G\$000	G\$000	G\$000
At 1 January 1993	3,184,648	34,503	47,767	892,845	4,159,763
Additions during the year	1,209,197	-	-	-	1,209,197
Valuation surplus on disposal of fixed assets transferred to the profit and loss account	-	-	(25)	-	(25)
At 31 December 1993	<u>4,393,845</u>	<u>34,503</u>	<u>47,742</u>	<u>892,845</u>	<u>5,368,935</u>

(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

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

5. (b) Capital reserves - cont'd
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 acquisition of the Company's assets on nationalisation in 1976 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 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 accrued interest assumed by the Government of Guyana.

6. Deposit on shares	G\$000	<u>1992</u> 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>

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

7. Debenture	G\$000	<u>1992</u> G\$000
2% Government of Guyana debenture redeemable in the year 2000	<u>143,636</u>	<u>143,636</u>

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

8. Loans	G\$000	<u>1992</u> G\$000
(i) National Bank of Industry and Commerce Limited	37,569	
<p>A loan for the purchase of computer equipment to modernise the Company's accounting and inventory systems. Interest is charged at 2% below the bank's prime rate and the loan is repayable over a 7 year period.</p>		
(ii) Inter-American Development Bank - Fixed Assets loan		
<p>A U.S. dollar loan for the purchase of fixed assets to rehabilitate the Company's sugar factories. Interest is now charged at 15% per annum and the loan is repayable in 8 half yearly instalments payable in April and October each year</p>		
	459,459	653,652
<p>Working Capital loan</p> <p>A U.S. dollar loan with interest at the rate of 15% per annum repayable in 1993</p>		
	190,887	240,932
(iii) Supplier's credit - International Resource Corporation	15,981	128,644
<p>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 1994 and ending 15 June 1994</p>		
	703,896	1,023,228
Loans repayable within one year	404,361	509,973
Loans repayable after one year	299,535	513,255

GUYANA SUGAR CORPORATION LIMITED

NOTES ON THE ACCOUNTS

9. Fixed assets	Land and buildings		State land and land expansion cost. G\$000	Plant, Machinery and Equipment G\$000	Livestock G\$000	Work-in progress G\$000	Total G\$000
	Freehold G\$000	Leasehold G\$000					
Cost or valuation							
At 1 January 1993	295,012	3,778	32,590	3,295,642	49,942	1,121,207	4,798,171
Additions	29,294	-	-	1,056,761	22,965	1,172,086	2,281,106
Disposals	-	-	-	(34,786)	(16,986)	-	(51,772)
Transfers	70,337	-	-	913,836	-	(984,173)	-
At 31 December 1993	394,643	3,778	32,590	5,231,453	55,921	1,309,120	7,027,505
Comprising:							
Valuation	59,022	2,549	25,420	49,605	55,921	-	192,517
Cost	335,621	1,229	7,170	5,181,848	-	1,309,120	6,834,988
	394,643	3,778	32,590	5,231,453	55,921	1,309,120	7,027,505
Depreciation							
At 1 January 1993	8,127	1,309	10,326	596,911	-	-	616,673
Charge for the year	3,057	41	418	639,198	-	-	642,714
Retired on disposals	-	-	-	(31,173)	-	-	(31,173)
At 31 December 1993	11,184	1,350	10,744	1,204,936	-	-	1,228,214
Net book values:							
At 31 December 1993	383,459	2,428	21,846	4,026,517	55,921	1,309,120	5,799,291
At 31 December 1992	286,885	2,469	22,264	2,698,731	49,942	1,121,207	4,181,498

GUYANA SUGAR CORPORATION LIMITED

NOTES ON THE ACCOUNTS

10. Investments	G\$000	<u>1992</u> 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)	-	-
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	-	-
	304	304

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 diminution in value.

GUYANA SUGAR CORPORATION LIMITED
NOTES ON THE ACCOUNTS

11. Net current assets

	<u>1992</u>	<u>1992</u>
	G\$000	G\$000
Inventories	4,259,214	3,824,883
Cattle	13,693	162
Unsold produce	647,296	515,489
Trade debtors	467,890	968,448
Other debtors and prepayments	224,870	321,894
Cash on hand and at bank	<u>793,816</u>	<u>2,270,701</u>
	<u>6,406,779</u>	<u>7,901,577</u>
Current liabilities		
Trade creditors	828,970	638,070
Other creditors and accruals	1,930,359	1,976,084
Export sales levy	2,000,000	2,500,000
Accrued interest	53,241	82,717
Loans repayable within one year (Note 8)	404,361	509,973
Taxation	148,297	86,927
Bank overdrafts (unsecured)	<u>-</u>	<u>973,075</u>
	<u>5,365,228</u>	<u>6,766,846</u>
	<u>1,041,551</u>	<u>1,134,731</u>

12. Capital commitments

	<u>1992</u>	<u>1992</u>
	G\$000	G\$000
Expenditure authorised by the Directors and committed	-	366,700
Expenditure authorised by the Directors but not committed	<u>2,333,000</u>	<u>1,892,300</u>

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

14. As a result of a decision of the directors to divest the non-sugar activities of the Company, the assets of Versailles Dairy Complex and Liliendaal Dairy Project have been put up for divestment. These two locations account for the major non-sugar assets of the company.

15. Pending litigations

There were several actions for which the liability of the company, if any, has not been determined.

GUYANA SUGAR CORPORATION LIMITED
STATEMENT OF EMPLOYMENT AND COMMUNITY COSTS

	1990 GSM	1991 GSM	1992 GSM	1993 GSM
DIRECT EMPLOYMENT BENEFITS				
Wages and Salaries	618	1,828	3,229	4,162
Incentive Payments*	80	458	780	930
Other Employment Benefits	282	418	865	949
Labour Transport Costs	140	218	343	525
	-----	-----	-----	-----
	1,120	2,922	5,217	6,566
	-----	-----	-----	-----
COMMUNITY COSTS				
Government Taxation and Levies	714	4,264	5,049	3,591
Local Government Rates and Taxes	2	3	15	16
Local Sugar Sales Subsidy	282	179	-	-
Sugar Industry Special Funds	3	18	23	120
Community Services	12	19	39	42
	-----	-----	-----	-----
	1,013	4,483	5,126	3,769
	-----	-----	-----	-----
TOTAL	<u>2,133</u>	<u>7,405</u>	<u>10,343</u>	<u>10,335</u>
Number of employees	25,576	27,964	28,081	27,855
Tons sugar produced	129,920	159,690	243,010	242,640
*Includes provision for profit share	10	30	40	37

