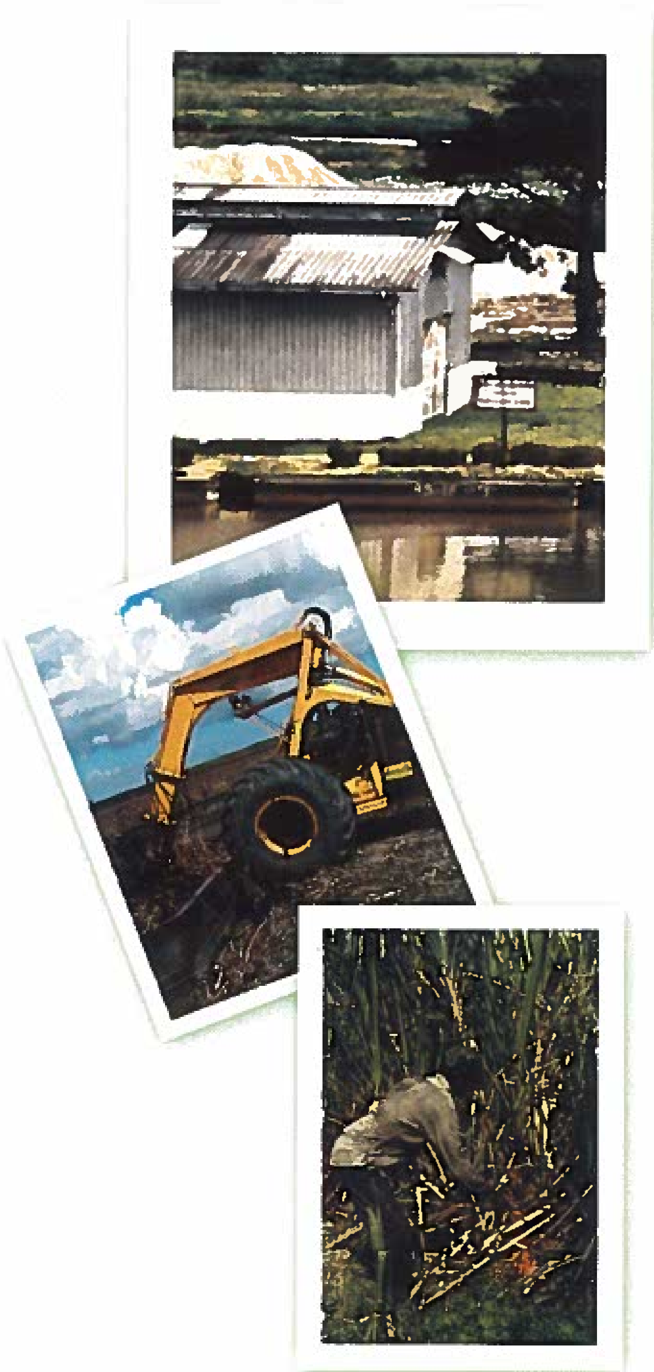
Guyana Sugar Corporation Inc. Annual Report 2000

contents



mission statement

To be a world class sugar industry
producing high quality sugar
and added-value by-products,
while ensuring
customer satisfaction,
employee development,
environmental protection,
and safe working practices.
In so doing we will
achieve growth and sustained
profitability in any forseeable
marketing situation
in order to contribute
to the economic and social
development of Guyana.

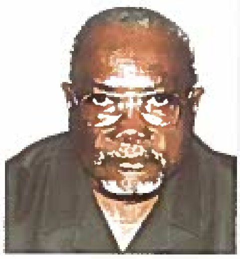
board of directors

Top:
Vickram Oditt, A.A.
Chairman



Left to Right:

David Carter
Member
Brian Webb
Chief Executive
Ronald Alli, A.A.
Member



Edgar Heyligar, C.C.H.
Member
Donald Ramotar,
Member
Barry Newton,
Member

AUDITORS

The 2000 Accounts were audited by the Auditor General in accordance with the provisions of the Financial Administration and Audit (Amendment) Act,1993.

D. Ramraj
Company Secretary

GUYANA SUGAR CORPORATION INC.
Ogle Estate,
East Coast Demerara, Guyana.
Telephone: (592) 222-6030
Facsimile: (592) 222-6048
E-mail: michaelk@guysuco.com

This report can also be viewed on the Corporations' website www.guysuco.com

highlights

√ Corporation breaks even before tax in spite of severe decline in value of the Euro causing a reduction in income of $3.5 billion.

√ Costs further reduced in US¢/lb terms.

√ Consultants determine Guysuco's performance improvements give Guyana a comparative advantage in the Caribbean.

√ ... and that the centrepiece of the Corporation's Strategic Plan has high financial and economic rates of return.

√ Agreement reached to proceed with construction of a new factory at Skeldon.

√ Sales record 3% increase in volume.

√ Buyers recognise sugar quality enhancements.

√ Molasses being sold on improved terms.

√ Agricultural Improvement Plan drawn up envisages 35% increase in production.

√ Factory time efficiency best result to date.

√ High rate of capital expenditure maintained.

√ Website (guysuco.com) launched.

chairman's statement

OVERVIEW

After the excellent results achieved in 1999 when we produced over 320,000 tonnes of sugar and paid profit share to workers, the year 2000 was disappointing. The Corporation broke even before tax, compared with a profit of over $2 billion in 1999.

The main reason for the decline in profitability lies in the exchange rate of the Euro, the currency in which two-thirds of Guysuco's sales are denominated. The average actual exchange rate achieved by the Corporation in 2000 was US ¢ 90 =Euro 1, compared with the average actual exchange rate in 1999 of US$ 1.07 = Euro 1, a reduction of 16%. The reduction in income for the Corporation due to this fact alone was almost $ 3.5 billion.

We are not alone in this respect. It has been calculated that the ACP countries which supply sugar to Europe suffered collectively a loss of US$ 314 million in the two marketing years 1999 / 2000 and 2000 / 2001 owing to the decline in the value of the Euro.
The level of sugar production was also significantly (15%) lower than in 1999 at 273,000 tonnes compared with 321,000 tonnes in 1999. The main reason for this was the lower than anticipated planting and land preparation rates achieved in 1999 due to the La Nina phenomenon.

We were nevertheless successful in further reducing unit costs from US ¢ 17.6 per pound in 1999 to US ¢ 17.3 per pound in 2000.

STRATEGIC PLAN

During 2000 the World Bank called for a review of the Strategic Plan which was carried out on behalf of the Bank by L M C International. The LMC report demonstrated that improvements in field and factory performance by Guysuco have been consistent with average world productivity gains, giving Guyana a comparative advantage in sugar production within the Caribbean region. This advantage combined with preferential, but declining price and volume, markets in Europe makes it feasible and economically and financially viable to invest in the sector. The analysis confirmed that the centrepiece of our Strategic Plan, namely a new Skeldon factory, had high financial and economic rates of return.

The detailed results of that review, which were presented at a workshop in September 2000, stated that while the Bank's consultants supported the objective of constructing a new factory at Skeldon in order to reduce unit costs, the Bank and the consultants could not support what they referred to as the cross subsidization of the higher cost Demerara Estates by the lower cost Berbice Estates. The consultants took the view that all estates should be capable of producing sugar at a unit cost lower than the lowest selling prices which could be obtained by Guysuco in any market.

The Government of Guyana and Guysuco did not share this view, which would have led to the closure of the Demerara Estates. I am happy to be able to report that the Government was able to prevail upon the World Bank to amend this view and to postpone any decision on the possible closure of Demerara Estates until the new Skeldon factory has been completed. It was agreed in principle to proceed with the expansion of Skeldon, including the construction of a new factory, at an anticipated cost of US$ 110 million. The financing for the expansion would be provided by concessional finance from donors and from the proceeds of land sales and retained earnings.

SALES

Sales in the year were 301,000 tonnes, an improvement over the 293,000 tonnes recorded the previous year. However the average selling price for export sales was only US $ 428.65 per tonne compared with US $ 516.85 per tonne in 1999, a reduction of 17.5%. I would wish to emphasize again, as I did last year, the importance to Guyana and the other sugar producing companies in the Caribbean of the Caribbean Single Market and Economy, and in particular the maintenance of a consistently applied Common External Tariff. The Sugar Association of the Caribbean countries have discussed the development of a new refinery in order to meet the requirements within Caricom for white sugar. Guysuco naturally would wish the new refinery to be established in Guyana but wherever it is established it will be necessary for the C E T to be applied to white sugar also.

Developments in marketing and sales have been both negative and positive. On the negative side, the unilateral introduction by the European Union of the "Everything but Arms" initiative has led to a reduction of 15 per cent per annum in our Special Preferential Sugar (SPS) quota for the first year of the new SPS arrangement. In fact the EU has proposed an annual reduction of 15% in the quota thereafter, leading to its total abolition in 2008, but the ACP countries have not accepted this.

The ACP countries feel particularly bitter about this initiative, which, while it has a totally laudable aim, has been achieved without any sacrifice or contribution from the developed countries of Europe. The effect has been to transfer resources from less developed countries such as Guyana to the least developed countries.

Our US Quota market has also been negatively affected. Increased imports from Mexico together with improved levels of production in the mainland USA has meant that we have not received nor are we likely to receive any additional allocations from the U S D A as was the case for several years up to 1999.

On the positive side, Guysuco has been successful in increasing sugar quality to the point where the refiners have recognised that we are among the top three ACP producers as regards quality.

At the end of the year we terminated the contract for the sale of molasses to Caribbean Molasses Company, and we were able to negotiate significantly improved terms for the sale of the molasses to Demerara Distillers Limited and to distilleries in several Caribbean islands.

PRODUCTION

The cane yields in 2000 were unsatisfactory at only 67 tonnes cane per hectare compared with 1999's 74 tonnes cane hectare, a reflection of the poor planting and land preparation in 1999 as stated earlier. The Corporation has decided to focus upon the increase in cane yields as its major emphasis. Consequently an Agricultural Improvement Plan (AIP) has been drawn up in conjunction with the corporate managers Booker Tate.

EU and other ambassadors visit Guysuco's nursery at GARU

chairman's statement

This calls for a steady expansion of cane output from existing cane areas, which will necessitate:

Increased expenditure on agricultural fleet equipment

Increased agricultural management inputs

Restructuring certain cane field layouts and changes in field gradients and cambers

Increased focus on drainage of our fields

Given these additional resources the AIP anticipates that sugar production will increase to 368,000 tonnes in 2005 (excluding the effects of the expansion at Skeldon).

Ministers discuss the Corporation's new varieties programmes

EMPLOYMENT

No pay negotiations were required in 2000 as there was a two-year agreement in place for 1999 / 2000. Our labour costs continue to represent between 55 and 60 per cent of total costs. A chart is included in this year's report showing the increases in employment cost over the past 10 years.

Due to the reduced crop size and the shorter crop period, average earnings per worker (excluding management and supervisory grades) decreased from $617,000 per annum (the equivalent of US$ 3,460 per annum), to $630,000 per annum (also US$ 3,460 per annum).

FINANCING

Cash generated from operations in 2000 was $1.3 billion, compared with $ 2.4 billion in 1999. Nevertheless we maintained a high rate of capital expenditure at $ 2.3 billion, as it is essential that we maintain our agricultural equipment fleets and factories in good operating condition.

I have referred in previous statements to the price we are paying for cane to private cane farmers which is higher than it costs Guysuco to produce cane. We are planning to increase substantially the volume of cane we acquire from private farmers in the new Skeldon factory (but under a new pricing arrangement).

We have expanded the range and resilience of our internal communications network and have launched a website at guysuco.com.

CONCLUSION

We had a disappointing year in 2000. Unfortunately 2001 is potentially even less satisfactory, as we are facing a loss for the first time since 1990, due primarily to a further deterioration in the value of the Euro.

We have recently seen quite outspoken statements by financial commentators on the management of the European Central Bank and it is to be hoped that steps are taken to improve its credibility and therefore the value and stability of the Euro.

Nevertheless we had some successes; sales volumes increased and the unit cost decreased. The Board and the management will continue efforts to expand our markets, to add value to the basic sugar product and to decrease costs in order to negate the possibility of the industry reducing in size.

The industry is facing difficult times but I am confident that the board the management and the workforce are all conscious of the need to work together to face these difficulties.
I thank my fellow directors, management and the workers for their valuable contributions in 2000.

guysuco & the environment

The Guyana sugar industry was established in the eighteenth century. It has undoubtedly made an impact on the environment within the so-called "sugar-belt". Fortunately, however, none of the sugar industry's by-products or operational procedures present a serious threat to the local environment.

The disposal of waste products:

The main waste products emanating from a sugar development are bagasse, filter press mud, water as a factory effluent and smoke.

Bagasse is the fibre which remains after the juice has been extracted from the cane during processing. It consists mainly of cellulose and lignin and is used as a fuel in the factory boilers.

Filter press mud is the mud which settles out from the cane juice during clarification and which is filtered off. It is variable in composition and consists of sucrose, wax, fat, nitrogen, phosphate, potassium and some bagacillo (small particles of bagasse). It has value as a soil ameliorant and is used for this purpose, particularly on dam beds and during conversion of cambered beds to other field layouts when some exposure of the sub-soil occurs.

Water, in the form of effluent from the factory, contains many impurities, often varying quantities of sugar. It must be treated to minimal BOD (Biological Oxygen Demand) content prior to being discharged.

Smoke is another potential pollutant on a sugar development. It is produced by the factory boilers and from burning cane trash both before and after harvest. Prior to harvest cane fields are set on fire to remove the dead leaves and to minimise the non sugar-containing vegetative matter being taken to the factory. Fire is also found to displace snakes and some pests which are a hazard to cane cutters and agricultural workers. Guysuco is presently monitoring smoke discharge and its effect on areas around the estates. We are working with the Environmental Protection Agency towards defining a standard for smoke emission.

The main factors affecting the environment in which a sugar development exists are the disposal of waste products and the effect of the development on the indigenous life (human, animal and plant) of the area

Effects on the indigenous life of the area:

The industry's future plans relate, in the main, to the existing cane area. About 10 000 acres of new land are intended to be developed in Berbice while some existing cane lands in Demerara may be put to alternative use. There is therefore no anticipated negative environmental effects.

Present cane husbandry practices will essentially be maintained although there will be a tendency to increase the level of mechanisation of certain operations. Thus the present weed control measures will continue. It will be a mix of chemical, manual and mechanical methods of control. The herbicides in use are manufactured and/or formulated by major manufacturers within the United States and Europe and are approved for use by the appropriate United States and European authorities.

Pest control will continue as at present with minimal use of insecticides for insect control and continuing efforts to establish means of biological control for the troublesome moth borers. Some insecticides may be used to control sporadic froghopper attacks and the periodic attacks by leaf - eating caterpillars and by termites. Again in such cases, only approved insecticides will be used. Rat baiting with rodenticides of low toxicity to other mammals, such as brodifacoum, will continue to be the main means of control.

In general, the navigation canals, together with flood fallow fields and sidelines, contain good stocks of fish and other aquatic animals and plants thus demonstrating the high water quality and freedom from pollutants. The situation will continue to be monitored.

As stated earlier, some 10 000 acres of new land will in due course be taken into cane. Currently, this area supports savannah type grassland for grazing cattle during the season, but is subject to flooding in rainy periods. There are no trees to be cleared and the proposals will result in the replacement of pasture by sugarcane.

The rehabilitation proposals for the agricultural sector of GUYSUCO are, therefore, not expected to increase dangers of environmental pollution over the levels which have existed during the past twenty or thirty years. On the contrary, every attempt will be made to reduce any threats which are posed to the environment.

report of the directors

for the year ended 31st December 2000

The Directors of Guyana Sugar Corporation Inc. present their report together with the audited Financial Statements for the year ended 31st December 2000.

PRINCIPAL ACTIVITY

The principal activity of the Corporation is the growing of sugar cane and the manufacture and sale of sugar and molasses from that cane.

The Chairman's Statement describes the development and operation of the Corporation during the year, including the preferential markets situation, the position at the end of the year and the proposed future developments, specifically the Strategic Plan for the expansion of the industry.

RESULTS AND DIVIDENDS

The financial results of the Corporation are set out on pages 13 – 26.

In accordance with the policy of the Corporation for many years, no dividends are declared or payable.

DIRECTORS

The names of the Directors are set out on page 3. All of the Directors are Non-executive, except for Mr. B. Webb.

Mr. B. Newton and Mr. D. Carter are respectively Managing Director and Regional Director (Caribbean) of Booker Tate Limited, which manages the Corporation under a rolling annual Corporate Management Agreement. Fixed and results-related fees are payable under the Agreement. Mr. B. Webb is an executive of Booker Tate seconded to the Corporation. Apart from this, none of the Directors during the year had any material interest in any contract which is of significance in relation to the business of the Corporation.

Directors' remuneration is set out in note 12(c) to the Financial Statements.

CORPORATE GOVERNANCE

The Guyana Sugar Corporation recognizes the importance and is committed to high standards of corporate governance. The principles of good governance have been applied in the following ways:-

(a) ***The Board:*** The Board meets not less than ten times a year and has adopted a schedule of matters reserved for its decision. It is responsible for the strategic direction of the Corporation and all directors have full and timely access to information.

The Board has established four committees with defined terms of reference, namely the Audit Committee, the Central Tender Committee, the Remuneration Committee and the Lands Committee.

The Audit Committee, a formally constituted sub-committee of the Board, is composed of Non-executive Directors. The Audit Committee reviews and discusses, with the Internal Auditor and External Auditor, the Group's internal accounting controls, internal audit function, choice of accounting policies, internal and external audit programmes, statutory auditors' report, financial reporting and other related matters.

The Central Tender Committee evaluates all tenders for the supply of materials and services above predetermined levels. The Remuneration Committee approves remuneration of senior staff and sets the policies for remuneration of other staff. The Lands Committee approves all land disposals and policy issues concerning land.

The Directors are responsible for the Corporation's system of internal financial control which is designed to provide reasonable (but not absolute) assurance regarding:

a) the safeguarding of assets against unauthorized use; and

b) the maintenance of proper accounting records and the reliability of financial information used within the Corporation.

Key procedures have been established which are designed to provide effective internal financial control.

The Directors are of the opinion, based on information and explanations given by management and the internal auditors, and on comment by the independent auditors on the results of their audit, that the Corporation's internal accounting controls are adequate and that the financial records may reasonably be relied upon for preparing the Financial Statements and for maintaining accountability for assets and liabilities.

(b) ***Control Environment:*** The Directors have put in place an organizational structure with clearly defined lines of responsibility and delegation of authority.

(c) ***Information Systems:*** The Corporation has a comprehensive system of financial reporting. The annual budget is approved by the Board and actual results are reported against budget each month. Any significant adverse variance is examined and remedial action taken. Revised profit forecasts for the year are prepared on a quarterly basis.

(d) ***Control Procedures:*** There are clearly defined policies for capital expenditure including appropriate authorization levels.

EMPLOYEES

Performance appraisals, staff development and training are provided at all levels and emphasis is placed on both technical and personal development.

Guysuco is committed to equality of opportunity amongst its employees. Recruitment, terms of service and career development are based solely on ability and performance.

PENSIONS

The pension scheme of the Corporation is established under an irrevocable trust. The Pension Scheme Management Committee includes employee representatives. The scheme is managed by professionals. Both the Committee and the Managers are required to act at all times in accordance with the rules of the scheme and to have regard to the best interests of the members of the scheme.

The Management Committee controls the investment funds which are managed by external fund managers. Guysuco is committed to ensuring that the scheme is administered in accordance with the highest standards.

AUDITORS

The Financial Statements have been audited by the Auditor General. For the financial years 1995 to 1998 inclusive this activity was sub-contracted to Deloitte and Touche. For 1999 and 2000 the activity was sub-contracted to Ram and McRae.

By order of the Board
D. Ramraj
Company Secretary
Registered Office
Ogle Estate, East Coast Demerara

report of the auditors

To the Auditor General
On the Finanacial Statements of the
GUYANA SUGAR
CORPORATION INC.

for the year ended 31st December 2000

We have audited the balance sheet of Guyana Sugar Corporation Inc. as at December 31, 2000, and the profit and loss account and cash flow statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Office of the Auditor General's auditing standards and other generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements on page 13 to 26 present fairly, in all material respects, the state of the Company's affairs at December 31, 2000 and its profit and cash flows for the year then ended in conformity with International Accounting Standards, and comply with the Companies Act 1991.

Without qualifying our opinion we draw attention to International Accounting Standard 17 - Leases which requires that leases be accounted for as finance or operating leases under defined circumstances. The Company in the preparation of these financial statements has accounted for all leases with the Government of Guyana as operating leases as stated in note 1 (d) to the financial statements. These leases represent a substantial portion of the operating assets of the Company.

Ram & McRae

. . . .

RAM & McRAE
CHARTERED ACCOUNTANTS
PROFESSIONAL SERVICES FIRM
157 'C' Waterloo Street,
North Cummingsburg, Georgetown,
Guyana
6th November 2001

OFFICE OF THE AUDITOR GENERAL
63, HIGH STREET
KINGSTON, GEORGETOWN,
GUYANA

TO THE MEMBERS OF
GUYANA SUGAR CORPORATION INC.
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

Chartered Accountants, Ram & McRae, have audited on my behalf the financial statements of Guyana Sugar Corporation Inc. for the year ended 31 December 2000, as set out on pages 13 to 26. The audit was conducted in accordance with the Financial Administration and Audit (Amendment) Act 1993.

The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with the applicable laws, regulations and contractual obligations, is the responsibility of Management. My responsibility is to express an independent opinion on the statements based on these assertions and to report my opinion to you.

As required by the Financial Administration and Audit (Amendment) Act 1993, I have reviewed the audit plan and procedures, work papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit. I concur with the opinion, as set out on page 11, of Chartered Accountants, Ram & McRae.

S. A. GOOLSARRAN
Auditor General
12th November 2001

consolidated balance sheet

	Notes	2000 $M	Restated 1999 $M
Share Capital			
Authorised			
500,000,000 $1 Ordinary Shares	3	**500**	500
Stated Capital			
498,536,775 $1 Ordinary shares		**499**	499
Capital Reserves	4	**64,530**	64,873
Accumulated Earnings		**4,120**	3,899
Total Shareholders Equity		**69,149**	69,271
Deferred Tax	1(k),5	**7,020**	7,018
Minority Interest	8(a)	**61**	83
		76,230	**76,372**
Represented by:			
Fixed Assets	1(c),1(d),7	**72,991**	71,981
Investments ($281,000 for 2000 & 1999)	8(b)	—	—
Net Current Assets	9	**3,239**	4,391
Total Assets less Current Liabilities		**76,230**	**76,372**

On behalf of the Board

Vickram Oditt	*Brian Webb*
Director	***Director***

The accompanying notes on pages 16 to 26 form an integral part of these financial statements

consolidated profit & loss

for the year ended 31st December 2000

	Notes	2000 $M	1999 $M
Sales	11	**22,086**	23,441
Net profit before taxation	12	**60**	2,073
Taxation	13	**(564)**	(815)
Over Provision of Corporation Tax relating to previous years	13	—	690
Over Provision of Deferred Tax relating to previous years		—	508
Attributable to Minority Interest		**11**	(25)
(Loss)/Profit Attributable to Shareholders		**(493)**	**2,431**

Statement of changes in equity for 2000

	Share Capital $M	Revaluation Reserve $M	Accumulated Earnings $M	Other $M	Total $M
Balance at 31st December,1999	499	54,577	3,899	10,296	69,271
Release of Revaluation Reserve for disposal of revalued assets	—	(45)	45	—	—
Release of Revaluation Reserve for excess depreciation of revalued assets	—	(669)	669	—	—
Recognised in Equity	—	371		—	371
Loss for the period	—	—	(493)	—	(493)
Balance at 31st December, 2000	**499**	**54,234**	**4,120**	**10,296**	**69,149**

Statement of changes in equity for 1999

	Share Capital $M	Revaluation Reserve $M	Accumulated Earnings $M	Other $M	Total $M
Balance at 31st December,1998	499	47	1,465	10,296	12,307
Revaluation	—	55,567	—	—	55,567
Restated Balance	499	55,614	1,465	10,296	67,874
Net Profit for the period	—	—	2,431	—	2,431
Balance at 31st December,1999 as previously stated	499	55,614	3,896	10,296	70,305
Revision to valuation by valuers	—	(1,028)	(82)	—	(1,110)
Recategorisation of revalued assets	—	(9)	—	—	(9)
Customs duties on 1999 closing inventories	—	—	85	—	85
Adjusted balance at 31 st December, 1999	**499**	**54,577**	**3,899**	**10,296**	**69,271**

The accompanying notes on pages 16 to 26 form an integral part of these financial statements

consolidated cash flow statement

for the year ended 31st December 2000

	2000		1999	
	$M	$M	$M	$M
Cash generated from operations (Note a)		1,329		2,395
Interest paid		(3)		(3)
Net cash flow from operating activities		1,326		2,392
Cash flow from investing activities				
Interest received	162		294	
Purchase of fixed assets	(2,333)		(3,262)	
Sale of fixed assets	13		26	
Payment to minority interest	(11)		(11)	
Net cash used in investing activities		(2,169)		(2,953)
Net decrease in cash		(843)		(561)
Cash and cash equivalents at beginning of period		2,603		3,164
Cash and cash equivalents at end of period (Note 10)		1,760		2,603

a. Reconciliation of net profit before taxation to net cash inflow from operations:

	2000	1999
	$M	$M
Net Profit before taxation	60	2,073
Adjustments for:		
Depreciation	1,278	1,800
Net adjustments for revision of asset values	371	—
Loss on disposal of fixed assets	34	47
Interest (net)	(159)	(291)
Operating profit before working capital changes	1,584	3,629
Increase in inventories	(22)	(277)
(Increase) / decrease in product stocks	1,556	(1,754)
(Increase) / decrease in trade and other receivables	(1,868)	370
(Increase) / decrease in trade and other payables	(1,144)	70
Increase in amounts owing to related parties	71	357
Decrease in amounts from related parties	917	—
Increase in taxation/levy payable	235	—
Cash generated from operations	1,329	2,395

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets. They have been prepared in accordance with the Accounting Standards issued by the International Accounting Standards Committee (IASC), interpretations issued by the Standing Interpretations Committee of the IASC and the requirements of the laws of Guyana, except that as permitted by The Institute of Chartered Accountants of Guyana, IAS 19 (Employee Benefits) has not been adopted.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements made up to 31st December each year of the Corporation and Lochaber Ltd, a company controlled by the Corporation (its subsidiary). Control is achieved by virtue of the Corporation having the power to govern the financial and operating policies of the subsidary through the Board of Directors. Details of the subsidary are given in Note 8(a).

(c) Fixed Assets and depreciation

Freehold Land and Buildings are stated at professional valuation as at 1/1/99. Factory Plant is stated at Directors' valuation as at 1/1/99. Other fixed assets and additions to freehold land, buildings and factory plant subsequent to 1/1/99 are stated at cost. All assets with the exception of freehold land and work-in-progress are depreciated on the straight line method calculated to write off each asset over its estimated useful life. The depreciation method and useful lives were reviewed for 2000 and the new lives and the effect on the depreciation charge is as follows:-

	Prior to 1/1/2000	**After 1/1/2000**	**Effect upon 2000 depreciation charge**
Freehold Buildings- Wooden	Over 20 years	Over 20 years	—
Freehold Buildings- Others	Over 33 years	Over 33 years	—
Land expansion costs	From 5 to 10 years	Acording to tenure	not material
Plant, machinery and equipment	From 5 to 16 years	From 5 to 17 years	452
Motor Vehicles	Over 4 years	Over 4 years	—
Aircraft	Over 3 years	Over 5 and 10 years	33
			485

Depreciation is provided from the date of acquisition and a full year's charge is taken in the year of disposal.

(d) Freehold and Leasehold Land

In addition to 53,289 acres of freehold land, the Corporation leases from the Government of Guyana 135,963 acres of land on which it grows cane and for ancillary purposes. These are subject to several types of lease agreements, the status of which is as follows:

	Acres
Unexpired leases	22,880
Expired leases	18,684
Expired permissions	2,333
During the President's Pleasure Licences	66,621
During the President's Pleasure Permissions	845
Unexpired provisional leases (Skeldon expansion)	24,600
	135,963

The Corporation has received written confirmation that the Government is committed to renewing all leases for lands beneficially occupied by GuySuCo. The tenure of the leases is likely to be fifty (50) years. Lease rentals will be reviewed from time to time by the Commissioner of Lands & Surveys and approved by the Government of Guyana. The Directors have decided to treat these leases as operating leases in the light of the uncertainties relating to future lease payments.

Lease payment per acre per annum has been as follows:

Prior to 1985	$ 4
1.1.85 to 31.5.98	$ 7.5
From 1.6.98	$ 1,000

A valuation prepared by professional valuers as at 1/1/99 placed a value on these lands of $600,000 per acre.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Inventories

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

Product stocks are valued at the lower of cost of production and estimated realisable value less deductions for sugar industry special funds contributions and shipping and selling expenses, where applicable. Where markets are identified for sugar and molasses, the net realisable value is used if it is lower than the cost of production.

The Corporation does not value standing cane. The value of standing cane will be included in financial statements with effect from the finanacial year 2003, the year from which IAS 41 (agriculture) becomes mandatory.

The value of standing cane is incorporated in the financial statements of Lochaber Limited.

(f) Research and development

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

(g) 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.

(h) Sales

Sales represent the amounts earned from the sales of sugar and molasses produced during the year, net of sugar industry special funds contributions, shipping and selling expenses and export sales levy.

(i) Revenue recognition

Revenue is recognised when the product is shipped, or for domestic sales when the sale is invoiced.

(j) Pension Scheme

i) The company participates in a contributory multi-employer pension scheme, Guyana Sugar and Trading Enterprises Pension Scheme, a defined benefit scheme, for its qualifying employees. The contributions are held in trustee administered funds which are separate from the Corporation's finances.

The actuarial valuation carried out at 31st December 1998 for the Pension Scheme revealed a past service deficit of G$999M . The actuaries have not quantified the extent of the deficits of the individual participating members, of which the company is the largest member.

To meet the deficit of the Scheme the actuaries recommended that the participating companies increase contributions to the Scheme by 3% above the current rate of 7% of members' salaries up to G$2,880 per annum plus 13% of members' salaries in excess of G$2,880 per annum up to September 30, 2001.The contribution is to increase to 15.5% of members' salaries with effect from October 01, 2001 for a period of fifteen years, at which time the deficit is expected to be fully funded. The increased contributions will take effect from January 01, 2002 for a period of fifteen years.

During the year the Corporation's contribution to the scheme was $198M (1999 - $100M) which does not include any contribution towards the deficit on the scheme.

ii) Employees who have retired and are not members of the Pension Scheme are paid ex-gratia pensions which are partially recoverable from the Sugar Industry Price Stabilisation Fund. Amounts not considered to be recoverable are provided for in the Profit and Loss account.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Deferred Tax

Deferred tax liabilities are recognised in respect of corporation taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits but only to the extent that it is possible that taxable profit will be available in future years to utilize these items.

(l) Skeldon expansion costs

All expenditure relating to the expansion project has been charged to work in progress.

Expenditure incurred to date on the expansion project comprises Project Management Costs ($260M) and the development of new cane areas ($562M). The Directors have every confidence that the project which is estimated to cost US$110M will go ahead. In the very unlikely event of the project being aborted, Project Management costs would be expensed and the cost of the development of new cane areas would be capitalised, as the cane would be milled at the existing factory.

2. INCORPORATION AND ACTIVITIES

Guyana Sugar Corporation Limited was incorporated on 21st May 1976 and is primarily involved in the cultivation of sugar cane and the manufacture and sale of sugar and molasses. On 28th February, 1996 the Corporation was continued under the Companies Act 1991 and its name changed to Guyana Sugar Corporation Inc. The Corporation is fully owned by the Government of Guyana.

3. SHARE CAPITAL

The Corporation has an authorised share capital of 500,000,000 ordinary shares at a minimum issue price of $1 each of which 498,536,775 ordinary shares were shares were issued at a minimum issue price.

4. CAPITAL RESERVES

	2000 $M	1999 $M
(a) Rehabilitation & Development Fund	9,363	9,363
(b) General	932	932
(c) Revaluation Reserve	54,234	54,578
	64,530	64,873

(a) Rehabilitation & Development Fund

An agreement was reached between the Ministry of Finance and the Corporation to set up a Rehabilitation and Development Fund from levies payable. This fund represents additional equity contributions by the Government of Guyana. No balances have been transferred to the fund since 1996.

(b) General

	2000 $M	1999 $M
1. Amounts received by the Corporation from the Sugar Industry Special Funds for rehabilitation work carried out on the Corporation's factories.	25	25
2. Monies received from the Government of Guyana for the purpose of financing projects in the Corporation's diversification programme.	15	15
3. The value of the net assets of Demerara Sugar Terminals Limited, which ceased trading in 1991 but continued as a department of the Corporation.	38	38
4. The value of loans and accrued interest assumed by the Government of Guyana.	839	839
5. The value of the net assets of Guyana Agricultural Products Corporation and Demerara Sugar Company Limited which were acquired by the Government of Guyana and the assets transferred to the Corporation.	15	15
	932	932

4. CAPITAL RESERVES (CONT'D)

	2000 $M	1999 $M
(c) Revaluation Reserve		
This amount represents:		
1. The surplus of the net book values over the consideration paid for the acquisition of the Corporation's assets on nationalisation in 1976, less disposals.	47	47
2. Revaluation of Fixed Assets	60,330	62,081
Less: Provision for Deferred Corporation Tax	(6,143)	(6,514)
Revisions by valuers - adjustment to values	—	(1,028)
Recategorisation of revalued asset	—	(9)
	54,234	54,578

The Corporation revalued its Freehold Land and Buildings and Factory Plant and Machinery as at 1st January 1999. The valuation of the land and buildings was undertaken by independent professional valuers. The valuation of the plant and machinery was carried out by experienced personnel within the sugar industry.

5. DEFERRED TAX

Recognised deferred tax assets/liabilities are attributable to the following items:

	Assets 2000 $M	1999 $M	Liabilities 2000 $M	1999 $M
Property, plant and equipment	—	—	7,252	7,290
Stock provision	(76)	(272)	—	—
Tax value of loss carry-forward utilised	(156)	—	—	—
	(232)	(272)	7,252	7,290

Movement in temporary differences during the year

	Balance 1st Jan 2000	Prior year adjustment	Recognised in income	Recognised in equity	Balance 31st Dec 2000
Property, plant and equipment	7,290	—	333	(371)	7,252
Stock provision	(272)	—	196	—	(76)
Tax value of loss carry-forward utilised	—	—	(156)	—	(156)
	7,018	—	373	(371)	7,020

6. DEBENTURE

	2000 $M	1999 $M
2% Government of Guyana debenture redeemable in the year 2000	144	144

The Government of Guyana has agreed that the repayment of the debenture be deferred.

for the year ended 31st December 2000

7. FIXED ASSETS

	Freehold			State Land and Land Expansion Cost	Plant Machinery & Equipment		Work in Progress	Totals
	Land	Building						
		Others	Wooden		Factory	Others		
	$M	$M	$M	$M	$M	$M	$M	$M
Cost or Valuation								
At 1st January 2000 as restated	43,807	10,778	3,128	-	9,792	8,682	2.350	78,537
Additions	4	11	11	15	81	1,094	1,117	2,333
Disposals	-	-	(45)	-	-	(102)	-	(147)
Transfers	-	54	26	25	107	372	(584)	-
At 31st December 2000	**43,811**	**10,843**	**3,120**	**40**	**9,980**	**10,046**	**2,883**	**80,723**
Depreciation								
At 1st January 2000 as restated	-	253	73	-	642	5,589		6,557
Charge for the year	-	225	73	-	289	691		1,278
Retired on disposals	-	-	(3)	-	-	(100)		(103)
At 31st December 2000	**-**	**478**	**143**	**-**	**931**	**6,180**	**-**	**7,732**
Net book value at 31st December 2000	**43,811**	**10,365**	**2,977**	**40**	**9,049**	**3,866**	**2,883**	**72,991**
Net book value at 31st December 1999	**43,807**	**11,345**	**3,256**	**0**	**9,150**	**3,192**	**2,350**	**73,100**
Revision by valuers - adjustment to values		(799)	(229)					(1,028)
Revision by valuers - adjustment to depreciation		(21)	28			(89)		(82)
Recategorisation of Other P&M to Factory						(9)		(9)
Net book value as at 31st December 1999 restated	**43,807**	**10,525**	**3,055**	**0**	**9,150**	**3,094**	**2.350**	**71,981**

8. (a) SUBSIDIARY

Details of the Corporation's subsidary at 31st December 2000 are as follows:

The subsidary, Lochaber Limited, is incorporated in the Republic of Guyana. The Corporation owns 36.8% of the share capital and nominates four of the six directors. The principal activity comprises the cultivation and sale of sugar cane.

8. (b) INVESTMENTS

	2000 $000	1999 $000
Cane Farming Development Corporation Limited 18,500 "B" Ordinary shares at cost	31	31
Livestock Development Company Limited 55,000 Ordinary shares at cost	50	50
National Bank of Industry and Commerce Limited 3,000,000 stock units at cost	200	200
	281	281

It is not possible to determine the market value of these investments in the absence of a ready market for the shares.

9. NET CURRENT ASSETS

	2000 $M	1999 $M
Current Assets		
Inventories (Notes (a & b) below)	3881	3,859
Product stock	951	2,507
Trade receivables	2,150	545
Other receivables and prepayments	719	456
Related parties (Note (c) below)	40	957
Tax recoverable	—	334
Cash and cash equivalents (Note 10)	1,760	2,603
	9,501	11,261
Current Liabilities		
Trade payables	225	108
Other payables and accruals	1,625	2,886
Related Parties (Note (d) below)	340	269
Dividend payable	11	11
Debenture	144	144
Export sales levy	2,876	2,000
Tax payable	1,041	1,452
	6,262	6,870
Net Current Assets	3,239	4,391

(a) Inventories

Gross (Note (b) below)	4,552	4,636
Less provision for slow moving and obsolescent items	(671)	(777)
Net	3,881	3,859

A further $221M of obsolete stocks were identified and charged against the provision. Additionally the provision has been increased by $115M.

(b) Inventory Categories

	$M	$M
Fuel	101	118
Spares	2,844	2,279
Fertilisers and Chemicals	1,048	1,026
Other	559	1,213
	4,552	4,636

(c) Amounts due from Related Parties (Refer to Note 17)

Booker Tate	40	—
Tate & Lyle	—	957
	40	957

(d) Amounts due to Related Parties (Refer to Note 17)

Booker Tate	27	78
Lease Rentals (Government of Guyana)	313	177
Caribbean Molasses Company	—	14
	340	269

10. CASH AND CASH EQUIVALENTS

			2000	1999
	000	000	$M	$M
US$	8,950	10,343	1,652	1,866
Sterling	102	677	28	197
			1,680	2,063
G$			80	540
			1,760	2,603

Rate of conversion

	2000	1999
US$	184.63	180.39
Sterling	275.42	291.70

11. SALES AND EXPORT LEVY

Sales

	2000	1999
Sugar (Note (a) below)	22,417	24,793
Molasses	669	448
Total Sales	23,086	25,241
Less export sales levy		
Amount payable	11,413	12,800
Remitted by Government	(10,413)	(11,000)
	1,000	1,800
Net sales	22,086	23,441

The amount of export sales levy payable is calculated under the Sugar Levy Act of 1974 (as amended). Under Section 6(1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit $10,413M (1998 $11,000M) of the Sugar Levy payable.

(a) Sugar Sales by geographic area

	2000	1999
	$M	$M
Europe	17,477	21,078
USA	1,475	951
Caribbean	2,371	1,666
Guyana	1,094	1,098
	22,417	24,793

All expenditure is incurred in Guyana, with the exception of marketing expenses and part of the management fee. All assets and liabilities are based in Guyana, with the exception of foreign cash balances and some trade receivables and payables.

The Directors consider therefore that segmentation of net profit and net assets by geographic area would not be meaningful.

12. NET PROFIT BEFORE TAXATION

	2000 $M	1999 $M
(a) After charging -	60	2,073
Saff Costs		
Wages and Salaries	11,656	11,477
Social Security contributions	576	493
Contributions to Pension Scheme	198	100
Profit Share (Note (b) below)	—	314
Materials and Services purchased	5,665	7,214
Lease obligations	136	111
Research and Development expense	31	27
Directors' fees & expenses (Note (c) below)	2	4
Provision for slow moving and obsolescent items	—	148
Depreciation	1,278	1,800
Auditors' remuneration	6	6
Interest expense	3	3
Management fees and expenses	309	586
Loss on disposal of fixed assets	34	47
After crediting		
Net gain on exchange	27	166
Interest income	162	294
Provision for slow moving and obsolescent items	115	—
Write back of Camp Street property (Note (d) below)	161	—
Write back of legal costs provision	59	—

(b) Profit Share

The profit share is calculated using a formula which distributes surplus profits to all employees of the Corporation according to the percentage of staff costs to total costs.

(c) Directors' fees and expenses

	2000 $000 Fees	2000 $000 Expenses	2000 $000 Total	1999 $000
Chairman - Vickram Oditt	108	516	624	1,920
Director - Ronald Alli	84	—	84	490
Director - Donald Ramotar	84	—	84	84
Director - Edgar Heyligar	84	—	84	84
Director - Brian Webb	—	970	970	1,404
Director - David Carter	—	—	—	—
Director - Barry Newton	—	—	—	—
	360	1,486	1,846	3,982

(d) Write back of Camp Street Property

The cost of $161M incurred on the construction of this property was written off in 1999 at which time the recoverable amount was assessed to be nil. The directors are now confident that the amount of $161M can be recovered from the disposal of this property and accordingly this amount was reinstated on the Corporation's books.

notes to the financial statements

for the year ended 31st December 2000

13. TAXATION

	2000 $M	1999 $M
Corporation Tax at 35%	22	674
Deferred Tax	373	(38)
	395	636
Capital Gains Tax	—	—
Property Tax	169	175
Prior Year	—	4
	564	815
Over Provision of Corporation Tax relating to previous years	—	690

The over provision of Corporation Tax arose following a review by the Corporation of loss relief and capital allowances aspects of computations in earlier years.

Reconciliation of corporation tax expenses and accounting profit:

	2000	1999
Accounting profit	60	2,073
Corporation tax @35%	21	726
Add:		
Tax effect of expenses not deductible in determining taxable profits		
Depreciation for accounting purposes	448	630
Provision for obsolescence	—	59
Others	36	—
	505	1,415
Deduct:		
Tax effect of depreciation for tax purposes	(582)	(592)
Provision for obsolescence	(37)	—
Interest and dividend	(12)	(105)
Others (net)	—	(44)
	(126)	674

The Corporation incurred a loss of $425M for tax purposes for the year. It consequently has no Corporation tax liability for 2000 and has tax losses of $425M to set off against future taxable profits.

14. RESTATEMENT OF OPENING BALANCES

	2000	1999
Increase in valuation of closing stock	—	92
Lease payments	—	(66)
Taxation (Net)	—	(9)
Revision to valuation (Note (a) below)	(1,028)	—
Adjustment to opening depreciation	(82)	—
Recategorisation of revalued asset	(9)	—
Stock Adjustment	85	—
Total Prior Year Adjustment	(1,034)	17

14. RESTATEMENT OF OPENING BALANCES (CONT'D)

Note (a) - Revision by valuers

The independent valuers after a review of the valuation assigned to buildings in 1999 have decided to reduce the 1999 valuation by an amount of $1,028 M. This revised valuation was accepted by the directors and is reflected in these financial statements.

15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2000 $M	1999 $M
Expenditure authorised by the Directors but not committed	**2,207**	6,404
Letters of credit	—	—

Contrary to previous practice, the Commissioner of Internal Revenue sought to assess the Corporation on additional income for the years of assessment 1995, 1996 and 1997 arising from the remission of sugar levies by the Government of Guyana for the years 1994, 1995 and 1996. The Corporation does not accept this amended tax treatment and objected to the computations on the grounds that the levies have been correctly treated for tax purposes. No provision has been made in the financial statements for taxation arising from any such computations as the Corporation has been advised that they would be incorrect.

16. CREDIT, INTEREST RATE AND CURRENCY EXPOSURE

Exposure to credit, interest rate and currency risk arises in the normal course of the Corporation's business.

Credit risk

The Corporation has exposure to credit buyers of sugar. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. All buyers have consistently paid on time.

Investments are only allowed in liquid securities and only with counterparties which have a credit rating of AA or better. Given these high credit ratings management does not expect any counterparty to fail to meet its obligations.

At the Balance Sheet date there were no significant concentrations of credit risk.

Interest rate risk

The Corporation has no interest-bearing liabilities except for a government debenture.The rate of interest on the debenture is fixed and there is therefore no interest rate risk. The Corporation obtains competitive quotations before investing funds.

Currency risk

The Corporation incurs currency risk on sales and purchases which are denominated in a currency other than the Guyana dollar.The currencies giving rise to this risk are primarily the Euro, US dollar and pound sterling. At the reporting date the Corporation had assets in foreign currency consisting of cash and trade accounts receivable and liabilities consisting of trade accounts payable.The foreign currency assets considerably exceeded the foreign currency liabilities, as is normal throughout the year. The only financial instruments held at the balance sheet date were trade debtors and trade creditors.

17. RELATED PARTIES

Booker Tate Ltd, a joint venture company incorporated in the United Kingdom, manages the Corporation under an agreement dated March 26, 1996. Under this agreement Booker Tate receives a fixed fee, a production related incentive fee and reimbursement of certain expenses. The amounts paid to Booker Tate under the agreement were as follows:

	2000 $M	1999 $M
Fixed fee (£350,000)	97	100
Production related incentive fee	—	271
Expenses	212	215
Total	**309**	**586**

Tate and Lyle Plc. was a related party until 10 August 2000 by virtue of owning 50% of the shares in Booker Tate Ltd. Sugar is sold to subsidiaries of Tate & Lyle, under agreements which have been in force for many years.

Sales to these subsidiaries were as follows: (2000 up to 10 August 2000)

	Tonnes	Jan - Aug 2000 $M	Tonnes	1999 $M
Tate & Lyle	77,222	7,132	178,077	16,683
Total	**77,222**	**7,132**	**178,077**	**16,683**

Vinelli Ltd. - a company of which Mr V. Oditt (Chairman of Guysuco) is the Chairman, sold pharmaceuticals to the Corporation during the year valued at $9,420 following the standard tender process. This amount is not material when compared with total purchases of goods of $3.8 billion.

Vinelli Ltd also buys sugar from the Corporation at the regular price. The value of the amount purchased in 1999 (there were no purchases in 2000) ($457,919) was not material when compared with total sales of sugar of $24.8 billion.

Jack A. Alli, Sons and Co., a firm of which Mr. R. Alli (Director of Guysuco) is Senior Partner, provided taxation advisory services to the Corporation during the year valued at $1M. This amount is not material when compared with total purchases of services of $1.8 billion.

Caribbean Molasses Company Inc.

Caribbean Molasses Company (CMC) was a related party until 10 August 2000 by virtue of being owned by Tate and Lyle.

The Corporation supplied molasses under contract to Caribbean Molasses Company (CMC). Under the contract (which was terminated on 31 December, 2000) CMC paid for molasses at a price related to the New Orleans quoted price, less a contribution to offset CMC's fixed and variable costs. New Orleans prices were unusually low during 1999 and early 2000. Sales to CMC and related expenses were as follows:

	Jan - Aug 2000 $M	1999 $M
Sales	127	259
Less: Contributions to fixed and variable costs	(245)	(393)
Net loss	**(118)**	**(134)**

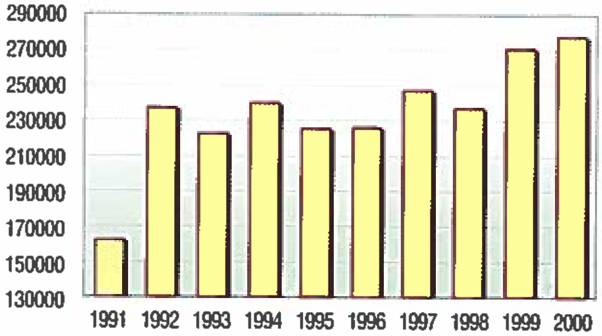
18. PENDING LITIGATION

There are several actions for which the liability of the Corporation, if any, has not been determined. However, the Directors have provided for $37M (1999 $96M) which in their opinion will be not less than the maximum potential liability.

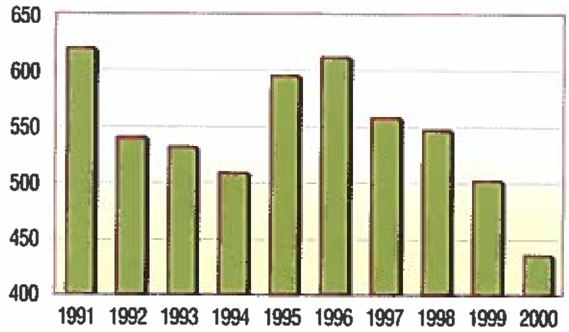
ten year review highlights

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
SUGAR PRODUCTION	162,245	246,898	246,522	256,657	253,837	280,116	276,392	253,871	321,438	273,318
SUGAR EXPORTED	161,981	236,434	222,598	239,424	225,420	255,527	247,058	236,773	270,248	277,267
AVERAGE PRICE/TONNE(US$)	619	540	531	508	595	611	557	547	502	436
EMPLOYMENT COST	2,703	4,873	6,041	7,092	7,892	8,764	9,230	9,718	12,384	12,430

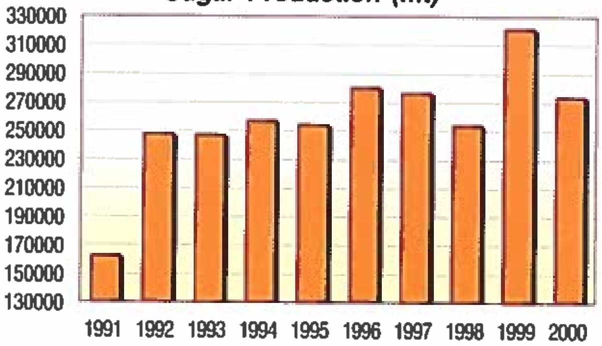
Tonnes Sugar Exported



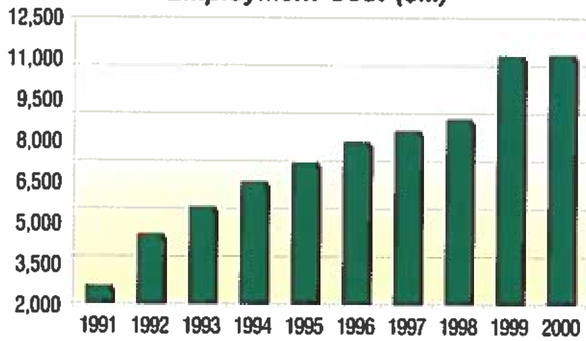
Average Price/Tonne Sugar (US$)



Sugar Production (mt)



Employment Cost ($M)



ten year review

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
HECTARES HARVESTED	39,646	42,444	41,701	44,474	44,863	41,042	46,349	39,908	43,656	44,259
TONNES CANE MILLED('000)	2,330	3,130	3,223	3,199	2,956	3,222	3,074	2,966	3,596	2,984
YIELDS										
TONNES CANE/HECTARE	58.76	73.75	77.28	71.94	65.88	78.53	66.33	67.00	72.50	62.20
TONNES CANE/TONNE SUGAR	14.36	12.68	13.07	12.47	11.64	11.51	11.12	11.68	11.19	10.88
TONNES SUGAR/HECTARE	4.09	5.82	5.91	5.77	5.66	6.83	5.96	6.36	6.58	5.72
PRODUCTION (TONNES)										
SUGAR	162,245	246,898	246,522	256,657	253,837	280,116	276,392	253,871	321,438	273,318
MOLASSES	86,397	121,168	124,853	117,618	122,183	131,422	123,881	117,939	129,934	108,703
HOME CONSUMPTION (TONNES)										
SUGAR	24,257	20,233	23,664	21,800	22,993	23,599	24,616	23,996	23,682	23,667
MOLASSES	68,281	86,397	116,241	111,709	109,653	112,446	108,379	59,140	51,777	45,061
EXPORT (TONNES)										
SUGAR	161,981	236,434	222,598	239,424	225,420	255,527	247,058	236,773	270,248	277,267
MOLASSES	-	4,248	8,573	5,909	12,530	18,976	15,543	61,320	78,473	63,642
SALES:										
LOCAL SUGAR ($M)	1,049	984	1,143	1,053	1,111	1,142	1,189	1,157	1,098	1,094
AVERAGE PRICE/TONNE ($)	43,245	48,633	48,301	48,303	48,319	48,392	48,302	48,216	48,181	46,337
EXPORT SUGAR ($M)	11,973	15,965	14,971	16,812	18,310	21,920	19,284	19,818	23,657	22,106
AVERAGE PRICE/TONNE ($)	73,916	67,524	67,256	70,219	81,226	85,783	78,055	83,700	87,537	79,727
AVERAGE PRICE/TONNE (US$)	619	540	531	508	595	611	557	547	502	436
MOLASSES ($M)	293	384	398	607	732	818	453	580	448	669
AVERAGE PRICE /TONNE ($)	3,391	3,169	3,188	5,161	5,991	6,224	3,656	4,815	3,440	6,154
EXPENDITURE ($M)										
EMPLOYMENT COST	2,703	4,873	6,041	7,092	7,892	8,764	9,230	9,718	12,384	12,430
MATERIALS/OTHER SERVICES	6,071	6,954	6,415	6,732	8,504	9,676	8,484	8,266	9,279	7,978
PROFIT BEFORE TAX ($M)	58	394	761	1,101	702	674	680	860	2,073	60
PROFIT BEFORE TAX AND LEVY	4,322	5,364	4,120	4,129	3,602	5,315	2,680	2,680	3,873	1,060
PROFIT AFTER TAX ($M)	44	316	529	691	320	224	228	271	1,258	(504)
PROFIT AFTER TAX BEFORE LEVY	4,308	5,286	3,888	3,719	3,220	4,865	2,228	2,271	3,058	496
AVERAGE MID MARKET EXCHANGE RATE (G$/US$)	119.45	124.95	126.66	138.20	136.50	140.50	140.13	152.94	181.00	185.00

FLAG & CREST

The GUYSUCO flag is green and gold.
The green on the flag represents
the agricultural lands of Guyana
while the gold symbolises Sugar
and the Corporation's involvement in
cultivation and research in sugar cane.
The Crest of the Corporation shows gears,
a machete, a wheel, the stalk
of the sugar cane and cane arrow.
The gears speak of the Corporation's
machinery and the co-operative effort
of the Industry which includes
every category of worker.
The machete symbolises the manpower
needed in order to build the
country's economy while the wheel is
for industrial efficiency and progress.
The stalk and cane arrow stand for
the source of sugar and represent
progress through breeding
of new varieties of cane.

GUYANA SUGAR CORPORATION INC.
Ogle Estate, East Coast Demerara Guyana.
Telephone: (592) 222-6030
Facsimile: (592) 222-6048
E-mail: michaelk@guysuco.com
Website: www.guysuco.com