

GUYANA SUGAR CORPORATION INC.
2015 ANNUAL REPORT

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Table 1: TEN YEAR REVIEW

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
HECTARES HARVESTED	42,422	39,757	44,262	43,556	36,510	45,411	43,616	40,676	45,302	42,782
TONNES CANE MILLED ('000)	2,975	3,099	2,767	2,764	2,762	3,196	2,710	2,461	2,837	2,816
YIELDS:										
ESTATE - TONNES CANE / HECTARE	64.48	71.97	57.71	57.50	66.32	62.58	55.31	53.55	55.66	57.96
TONNES CANE / TONNE SUGAR	11.46	11.55	12.16	11.67	12.51	13.51	12.43	13.18	13.11	12.19
TONNE SUGAR / HECTARE	5.63	6.23	4.75	4.93	5.30	4.63	4.45	4.06	4.25	4.76
PRODUCTION (TONNES)										
SUGAR	259,549	266,482	226,267	233,736	220,818	236,505	218,068	186,755	216,358	231,071
HOME CONSUMPTION (TONNES):										
SUGAR	23,396	23,480	23,345	23,594	22,341	20,031	22,387	22,141	20,799	21,768
EXPORT (TONNES):										
SUGAR	237,681	244,865	205,268	217,707	195,745	210,863	196,537	163,330	189,561	212,660
SALES:										
DOMESTIC SUGAR (\$M)	1,644	1,673	1,595	1,906	2,273	1,884	2,048	2,101	2,107	2,184
AVERAGE PRICE / TONNE (\$)	70,245	71,252	68,328	76,857	101,757	94,079	91,463	94,872	101,287	100,332
EXPORT SUGAR (\$M)	25,509	27,101	23,777	24,398	18,332	23,954	26,211	23,240	17,312	15,202
AVERAGE PRICE / TONNE (\$)	107,332	110,676	115,832	112,067	93,652	113,601	133,363	142,288	91,327	71,487
AVERAGE PRICE / TONNE (US\$)	538	545	570	552	462	558	654	694	443	347
EXPENDITURE (\$M)										
EMPLOYMENT COST	16,067	17,373	17,580	15,571	15,787	18,518	19,413	20,094	22,385	21,673
MATERIALS AND SERVICES	9,485	8,958	10,858	10,629	11,565	12,626	11,271	11,546	13,100	11,829
(LOSS) / PROFIT BEFORE TAX AND LEVY	2,429	2,159 -	6,210 -	1,949 -	5,136 -	11,232 -	1,863 -	2,959 -	22,335 -	2,662
(LOSS) / PROFIT AFTER TAX BEFORE LEVY	476	630 -	4,089 -	1,323 -	7,387 -	13,896 -	1,246	5,736 -	15,730 -	1,868
AVERAGE MID MARKET										
EXCHANGE RATE (G\$ / US\$)	199.50	202.99	203.34	202.99	202.83	203.63	203.99	204.99	205.98	205.98

BOARD OF DIRECTORS

The Board Directors of the Guyana Sugar Corporation Inc. as of December 31, 2015 are as follows:

Dr. Clive Thomas	Chairman
Mr. George Jervis	Director
Ms. Louise Bouyea	Director
Mr. Earl John	Director
Mr. Anthony Vieira	Director

CHAIRMAN'S REPORT

2015 was a year heralding radical change for the Guyana Sugar Corporation Inc. Subsequent to the change in Government, and in recognition of the plight the sugar industry was in, the shareholders appointed an Interim Management Committee (IMC) in June 2015 and a new Board of Directors (BOD) shortly thereafter.

The Board and Interim Management were confronted with many challenges, which included a weakened and demoralized management team, a very adversarial Industrial Relations climate, low sugar prices, declining production levels, high operational costs, serious loss making, and consequently a major liquidity crisis, and a huge debt burden.

It was evident that the sugar industry was in need of major reorganization; that it could no longer be “business as usual”. The Board and management team proceeded to develop urgently a series of initiatives to arrest the situation while the elements of a longer term strategy were being contemplated.

Given the gravity of the situation, the Government, in July 2015, appointed a Commission of Inquiry (COI) to look into the sugar industry, and make recommendations for its return to financial and economic viability. The members of the Commission of Inquiry were knowledgeable and experienced professionals.

The Commission's Report was submitted to the shareholders in October 2015 outlining their evaluations of the most economical options for the sugar industry to pursue. The Economic Services Committee (ESC) of Parliament was then mandated to consider and to report back on the way forward for consideration by Parliament/Government of Guyana. .

The Commission's main recommendation was that there should be no closure of any estate but that the Corporation should be privatized within three years. Other sections of the report pointed to diversification away from the reliance on sugar as an option.

Initiatives identified in 2015 for implementation in 2016 to reduce the operating cost, cash deficit, and/or generate funds for the Corporation included 1) the merging of Wales and Uitvlugt Estates, 2) transitioning the Wales cultivation from sugar cane to other crops and aquaculture, 3) completion of the integration of the La Bonne Intention and Enmore Estates into the East Demerara Estate, 4) relocation of the Information Systems and Head Office Departments from Ogle Estate to the former LBI Estate Compound, 5) the sale of non / under - performing assets, in particular lands, and 6) the cost recovery of drainage and irrigation now benefiting external parties.

The Board was very encouraged by some of the achievements of the Corporation during the second half of the year 2015. The second crop's production reflected a significant improvement over previous years. There was a greater sense of purpose across the industry. However, the underlying and deep rooted problems remained which would best be addressed through the reorganization process. A new strategic direction for the Corporation is currently being developed.

The year ended with renewed, enthused Management and Staff, and improved cane yields experienced in the cultivations and sugar recoveries in the factories, resulting in the second crop 2015's sugar production budget being surpassed by 3,627 tonnes or 2.5%.

I would like to take this opportunity to thank the Members of the Board, the Interim Management Committee, Management and the Workforce for their hard work, enthusiasm and contributions made to the industry in this challenging year of change. We look forward to everyone's continued support and dedication in 2016.

AGRICULTURE OPERATIONS

Production

Table 2: Showing Estates' and Farmers Hectares' Harvested, Cane Yields, Cane and Sugar Production for 2015

Estate	Hectares Harvested	Estates Cane Yields /		Cane Harvested / tonnes	Sugar Produced / tonnes
		Tonnes	Canes per Hectare		
Skeldon	7,989	56.52		451,500	32,213
Albion	9,002	68.85		619,739	59,858
Rose Hall	6,305	59.01		372,070	28,217
Blairmont	5,741	73.47		421,749	36,695
East Demerara	7,041	47.13		331,813	26,445
Wales	2,723	42.58		115,928	9,170
Uitvlugt	3,983	45.01		179,234	14,020
Industry	42,782	58.25		2,492,033	206,618

Estate	Hectares Harvested	Farmers Cane Yields /		Cane Harvested / tonnes	Sugar Produced / tonnes
		Tonnes	Canes per Hectare		
Skeldon	2,133	45.34		96,732	6,944
Albion	96	70.35		6,782	532
Rose Hall	647	62.40		40,355	3,071
Blairmont	-	-		-	-
East Demerara	217	37.66		8,161	649
Wales	2,366	59.42		140,561	10,884
Uitvlugt	342	90.67		30,992	2,373
Industry	5,801	55.78		323,583	24,453

Estate	Hectares Harvested	Industry Cane Yields /		Cane Harvested / tonnes	Sugar Produced / tonnes
		Tonnes	Canes per Hectare		
Skeldon	10,122	54.16		548,232	39,157
Albion	9,098	68.86		626,521	60,390
Rose Hall	6,952	59.33		412,425	31,288
Blairmont	5,741	73.47		421,749	36,695
East Demerara	7,258	46.84		339,974	27,094
Wales	5,089	50.40		256,489	20,054
Uitvlugt	4,324	48.62		210,226	16,392
Industry	48,583	57.96		2,815,616	231,071

In 2015, GuySuCo budgeted to produce a total of 227,443 tonnes of sugar; this included an estimated farmers' production of 26,117 tonnes. The Corporation exceeded this target in producing 231,071 tonnes; 11% of which is farmers' production. This also represented a 7% increase over 2014's production.

The increased production is attributed to the favourable weather conditions and the increased planting programme which positively impacted both the estates' and farmers' cane yields.

Tillage and Planting

Table 3: Showing Industry's Tillage and Planting Achievements for 2015

	Tillage ha	Planting
Skeldon	1,532	1,095
Albion	1,603	1,681
Rose Hall	1,384	1,296
Blairmont	1,037	971
East Demerara	895	895
Wales	742	709
Uitvlugt	700	636
Industry	7,892	7,284

Despite the El Nino conditions the industry achieved a planting programme of 7,284 ha (inclusive of farmers 224 ha) in 2015 of the 7,892 ha of lands tilled.

AGRICULTURE RESEARCH

In 2015, the Department's scientists have contributed monitoring and advisory support to estates where necessary, in crop maintenance.

Rainfall

2015 was a somewhat dry year. Mean annual rainfall was 1,784mm, 11% lower than the historical (59year) mean. Individual estate rainfall varied from 2,980mm at Uitvlugt to 1346mm at Blairmont.

Table 4: Showing Estates' Average Annual Rainfall for 2015 Compared to 59 Year Mean

Estate	Annual Rainfall 2015	59 Year Annual Rainfall mm
Skeldon	1704	1671
Albion	1369	1771
Rose Hall	1540	1959
Blairmont	1346	1805
Enmore	1663	1932
LBI	1522	2023
Wales	2149	2314
Uitvlugt	2980	2743
Industry Average	1784	2027

Breeding and Selection

Emphasis continued to be placed on the High Quality Selection Programme which is being run with close cooperation of the High Quality Programme at the West Indies Sugar Central Sugarcane Breeding Station. This has begun to produce results that received attention from sugarcane breeders around the world. The department commenced 2015 with 103,221 seedlings, 8,632 clones and 1,364 varieties under evaluation. During the year 15,508 seedlings were planted for stage I evaluation, 6,331 of which were established to facilitate analysis of the crosses as family. In addition, 538 clones were advanced to stage III and assigned their permanent identification numbers.

Pests and Diseases

The main activities of the Entomology section of the Plant Protection Unit (PPU), in 2015 centered on the monitoring and management of the industry's sugarcane pest and its established management programme across the industry. This was accomplished through data collection, analysis and information feedbacks and extension visits and training when and where required.

Throughout the year there were no reports of major outbreaks or severe infestations of any major or minor pest species, however the usual seasonal upsurges at endemic locations/sections in cultivations on various estates were evident for the major pests. The Routine prophylactic baiting for the Sugarcane rat (*Holochilus brasiliensis*) was continuous on all estates, guided mainly by quantitative routine monitoring and harvesting schedules for guard-up measures and along borders of natural endemic sites and habitat. Close monitoring of all major problem weeds continued during the year. The management of problem weeds especially on Demerara Estates was affected by the weather.

Rodents

Routine monitoring activities for the major pest species - the sugarcane rat (*Holochilus brasiliensis*); was carried out on all estates across the industry. Through-out the year there were no reports of major outbreaks, or of threatening population resulting in severe damages. Damage levels were below the average 0.5% fresh stalk damage for most of the year on most estates. However, the usual seasonal upsurge was evident in and around endemic sections and locations

on estates, especially on the known rodent endemic estates; Wales and Uitvlugt. From a total of 58,607 running hectares surveyed across the industry an average 0.09% fresh stalk damage was revealed. Wales, Uitvlugt and Enmore Estates experienced more damages through-out the year during high activity seasons. Most of the damages reported were associated with seasonal migrations and intra-field movements of rat families during land preparations and field rehabilitation

Quality Control

International proficiency testing continued during the year for plant tissue in collaboration with the International Plant Analytical Exchange (IPE) at the Wageningen University in The Netherlands, as part of the unit's quality assurance programme.

Environmental Monitoring

Physico-chemical monitoring of estate inlet and effluent streams for agriculture and factory processing operations, irrigation and drainage water for agriculture operations, tailings pond samples for controlled waste discharge, intake and outlet water for factory processing and wastewater from agriculture and factory operations continued during 2015.

Prior to 2014, only Enmore and Uitvlugt factories were monitored for environmental impact from factory operations and maintenance. A new protocol was introduced in 2015 which saw the commencement of testing and monitoring of all factories. Some additional parameters are now tested in keeping with the Environmental Protection Agency's (EPA's) guidelines.

FACTORY

Sugar Production

Table 5: Showing Estates' Sugar Production for 2015 with 2014 Comparatives

Factory	2014	2015	% Change
	tonnes		
Skeldon	35,890	39,158	9%
Albion	51,294	61,910	21%
Rose Hall	31,931	29,768	-7%
Blairmont	33,499	36,695	10%
East Demerara	30,932	27,094	-12%
Wales	18,898	20,014	6%
Uitvlugt	13,916	16,432	18%
Industry	216,357	231,071	7%

Sugar production for 2015 totaled 231,071 tonnes representing 102% of the budgeted target of 227,443 tonnes. Favorable weather conditions for harvesting and steady labour turnout in second

crop resulted in factories being supplied with canes continuously and consequently improved production levels.

Albion's performance was the best achieving 121% of its target.

Skeldon's sugar production of 39,158 tonnes surpassed 2014's actual and is now the highest production since the new factory was commissioned in 2009. The factory performance has improved considerably (15% improvement in the sugar recoveries).

Grinding Hours

Table 6: Showing the Average Weekly Grinding Hours in 2015

Factory	1st CROP	2nd CROP	YEAR 2015
		hours	
Skeldon	86.80	107.31	100.19
Albion	112.99	119.72	117.24
Rose Hall	112.52	120.96	118.08
Blairmont	128.20	128.60	128.45
East Demerara	97.71	105.74	102.54
Wales	100.09	105.36	102.93
Uitvlugt	84.65	102.89	92.12
Industry	103.55	114.52	110.09

Poor harvesting conditions in first crop 2015 affected cane supply to factories, hence the under achievement of grinding hours for the year.

However, during the second crop 2015, Albion, Rose Hall, Blairmont and East Demerara Estates surpassed 130 grinding hrs/week on several occasions.

Factory Time Efficiency and Mill Extraction

Factory time efficiency for the industry was 91.39% while mill extraction was 92.91%. This is compared to 2014 performance of 92.07% and 90.98% respectively.

Time Loss

Table 7: Showing Time Loss in 2015

Factory	OUT-OF-CANE	STRIKES	FACTORY BREAKDOWNS
		hours	
Skeldon	896.53	169.08	471.21
Albion	810.85	223.84	228.94
Rose Hall	348.01	350.00	304.25
Blairmont	450.21	363.40	122.86
East Demerara	890.57	314.66	493.18
Wales	933.13	150.85	260.93
Uitvlugt	1,061.71	149.42	201.60
Industry	5,391.01	1,721.25	2,082.97

When compared to year 2014, loss time due to out-of-cane reduced by 33%, strikes increased by 130% and factory breakdowns were reduced by 8% for the industry. Loss time due to factory breakdowns at Skeldon and East Demerara Estates remained high, however; the maintenance programmes will be addressing the core issues.

ISO Certification

The annual surveillance audit of the company's quality system was completed and Blairmont and Enmore factories have retained the ISO 9001 certification status.

Skeldon Sugar Modernization Project

The main focus for 2015 was on improving factory throughput and reliability. To improve factory throughput, major modification works were completed on the outboard punt dumper to convert the lifting mechanism from hydraulic rams to cables and winch. The modification proved successful with overall factory throughput achieving a weekly average as high as 260t/hr. Such level was never achieved since commissioning in 2009.

With a steady cane supply and higher factory throughput, Skeldon recorded its highest ever overall recovery of 75.24% since commissioning.

Co-generation

Supply of power to the national continued throughout 2015. A total of 36GWh was supplied to the Berbice Interconnected System (BIS) for the year in review.

Enmore Packaging Plant

Production of value added products continued during 2015. At least three (3) new brands of sugar were released. These include Regale, Cuisine and Enmore Crystals. The output of the Plant for the various products is seen in table below.

Table 8: Showing Production of the Enmore Packaging Plant

Product Name	Quantity in tonnes
Demerara Gold	2,988.665
Demerara Brown	690.075
Enmore Crystals	96.066
Regale	75.042
Cuisine	164.975
Genuine Demerara Cane Sugar (50kg)	9,431.450
Genuine Demerara cane Sugar (1t)	638.000
TOTAL	14,084.273

Sugar production for 2015 at East Demerara Estates was 27,094t. Therefore, 14,084.273 tonnes represents 52% conversion to value addition.

HUMAN RESOURCES

Management Structure

In 2015 a new National Government resulted in a change of leadership of the Corporation. An Interim Management Committee comprising of Mr. Errol Hanoman, as Chief Executive Officer and Paul Bhim, as Finance Director, was in effect from June 3, 2015 as well as a new Board of Directors, which held its first meeting in August 2015. Meanwhile, the Human Resources Director, Mr. Jairam Petam retired in May, 2015 and a Human Resources Management Adviser, Mr. Earl John was appointed in December, 2015.

Cadetships

Scholarships to University Guyana

Eleven (11) Cadets have successfully completed their first and second year in the BSc. Agriculture and Civil Engineer programme at both Tain and Turkeyen campuses. Additionally, five (5) employees have been awarded cadetship to pursue a BSc in Agriculture and are currently in the First Year.

Scholarships to Guyana School of Agriculture

Sixteen (16) staff members graduated with the Diploma in Agriculture from Guyana School of Agriculture (GSA) and have since commenced their contractual agreement with the Corporation. Meanwhile, five (5) students have completed their First Year and will be proceeding into second year, and a new batch of four (4) staff members is currently undergoing First Year training for the Academic Year 2015-2016.

Work-study Attachment

Eighteen (18) students were on seven (7) weeks work-study attachment during the reporting period: - nine (9) from Secondary Schools and seven (7) from the University of Guyana, who were assigned duties at Head Office Departments. There were also two (2) students from the T.A. Marryshow Community College, Grenada who were assigned duties at Information Systems Department.

Bursaries

Ninety-nine (99) students across the Industry and Head Office qualified and were awarded Bursaries for the National Grade Six Assessment, while one hundred and thirty-four (134) children of employees were reimbursed cash for their success at the Caribbean Secondary Examination Certificate (CSEC), General Certificate of Education (GCE) AND Caribbean Advance Proficiency Examination (CAPE). .

Management Trainees

There were two (2) Factory Management Trainees - Mechanical Engineer and Chemistry, who would complete their formal training in February and March, 2016.

Assistance to Study Scheme

Twelve (12) employees accessed funds from this scheme during the year totaling seven hundred and ninety-three thousand, eight hundred and thirty-eight (\$793,838.) dollars.

Industrial Attachments

Two (2) students from the University of Guyana (Civil and Mechanical Engineer) are currently on Industrial Attachment at Factory Operations and East Demerara Estate.

GuySuCo Training School

The first year training programme was amended to facilitate specialized trades in the second six months in order to improve the knowledge and skills of the apprentices before moving into the second year of training. As such, apprentices were able to accelerate the second year training by improving their performance.

In June 2015, fifty seven (57) second year apprentices wrote the craft examinations whilst 30 third and 10 fourth year apprentices wrote the advanced and technician's examinations. There were 44 distinctions, 81 credits, 13 passes and 5 referrals.

GTC/PM continues to enhance the Instrumentation and Auto Mechanic programs to satisfy the current needs of the Industry by upgrading the facility standards and concentrating on an increase of on-plant training in both field and factory for the second year apprentices and staff. Apprentices and staff were also involved in In-plant training at the Skeldon and Albion factories/ fields in March 2015. The one-day per week in-plant training for the Electricians and Instrument Mechanics at Albion Factory commenced on March 11th and 13th, 2015 respectively and concluded until the end of the first crop; twenty seven (27) students participated, along with their instructors. The Fitting and Machining apprentices completed their one week in-plant training at Albion Factory and Workshop from February 9th to 13th, 2015. Second year apprentices along with the Instrument Repair Mechanic apprentices completed their training at GTC/PM on June 25th, 2015 and return to their respective sponsored estates. Seven Sugar Boiler Apprentices concluded their six-week in-plant training at Albion in April, 2015. There is growing demand for mechanization and automation of the sugar industry; as such Apprentices within their second year training continue to visit the estate with structured training programs to enhance their skills. At the same time Instructors benefited by acquiring knowledge of some of the changes made within the industry in this area. Changes were made to the Instrumentation and Auto Mechanic course outlines to bridge the gaps with the industry current needs.

The in- plant training for third and fourth year apprentices is monitored quarterly. Log book and other inspections were carried out on a regular basis by instructors to ascertain that the apprentices are maintaining a high standard. This was conducted across all the estates from the period January 7 to 14, 2015 and May 7 to 14, 2015.

Greater emphasis was placed on apprentice's progress report discussion with Human Resources Manager and apprentice parents/guardians. In addition, quarterly meetings were held with the parents/guardians of all first and second year apprentices at the Centre.

Five apprentices from the 2011 entry had their apprenticeship extended by six months each, whilst one voluntarily terminated the apprenticeship.

Other Training & Extra-Curricular Activities

During the out of crop period, Bell loaders and tractors from Albion Estate were assigned to GTC/PM workshop to further enhance training. Also, senior staff from the factory and workshop conducted frequent technical training sessions for which the apprentices benefitted. The apprentices participated in frequent lecture and public speaking sessions on Friday evenings at the Hostel. Remedial sessions were held on Saturdays and Sundays for apprentices who were in need of additional support. The Ministry of Culture, Youth and Sports conducted a lecture session on Drugs and Alcohol abuse on July 26th 2015.

The GuySuCo Training Centre in collaboration with the Board of Industrial Training continued to offer its evening class programs to the communities of Regions 5 and 6. Since the reintroduction of the evening class programme in 2013 at the GTC/PM, 346 persons were trained in the areas of Refrigeration and Air-Conditioning, Fitting and Machining, Welding and Fabrication, Electrical Installation, Motor Vehicle Service and Repairs and Supervisory Management. 130 persons graduated from the third batch in April 2015 while the fourth batch of students commenced their training on September 7th, 2015.

Industrial Relations

Work Stoppages

There were 193 strikes recorded in 2015, being the lowest for the past 5 years average of 220. There were two major work stoppages for the year and those were the three (3) days and seven (7) days industry wide strikes for wages and salaries and Annual Production Incentive (API) respectively. Those two strikes contributed significantly to the increase in mandays lost for the year with 19,799 and 24,802 man days respectively.

The Corporation surpassed its sugar production target in the second crop, however, it was not without challenges; a greater portion of strikes were recorded during the second – 114 (59.1%) strikes. The Agriculture piece rated workers continued to demand very high prices for obstacles and to cut and stack canes for Bell in wet weather, resulting in unnecessary work stoppages and refusal to take up work.

The cane harvesters' demands for exorbitant prices, acceptance of work and demand for cut and stack in 2015 accounted for a total of 155 strikes with 52,021 mandays lost at (80.3 % and 74.2% respectively).

Table 9: Showing the comparative analysis of strikes from 2010 – 2015

Year	2010	2011	2012	2013	2014	2015
Work Stoppages	250	221	203	233	194	193
Mandays Lost	97,139	37,639	50,230	38,121	32,064	70,129
Wages Lost (G\$M)	195	74	118	105	96	182

Production incentives

A total of 94.41 tax-free days' pay was awarded to qualified employees as Weekly Production Incentive (WPI) across the industry, comprising 25.50 and 68.91 days for the 1st and 2nd crop respectively. During 2014, WPI achieved were 25.65 in the 1st crop and 39.25 in the 2nd crop.

Strike by causation

The main cause of strikes are pricing/acceptance of work, wages or incentives, demand to cut and stack as well as a number of reasons that vary across the industry such as: Draw Planters

refused to draw down canes claiming that the canes do not have the required cuttings; Cane Transport Operators and Mates expressing dissatisfaction with the condition of Tyres and Tubes; Harvesters refusing to take up work claiming that their gang is being split too often; Increase in Wages and Salaries; Payment for overrun canes; Demand for Personal Protective Equipment and tools; in solidarity with their colleague who were summarily dismissed.

Table 10: Showing Strikes by Causation for 2016 with 5 Year Comparatives

Year	2009	2010	2011	2012	2013	2014	2015
Pricing/ Acceptance of work	151	157	144	128	147	120	125
Wages/Incentive	35	26	9	-	7	-	2
Demand to cut & stack	8	32	33	28	28	32	30
Others	35	35	35	47	51	42	36
Total	229	250	221	203	233	194	193

Disciplinary Matters

There were a total of 219 instances where the Corporation's employees have had to be disciplined in 2015. Corrective measures were instituted on 148 instances, whereas there were 71 punitive measures taken with 59 being suspensions and 12 resulted in dismissals.

Health Services

Two diagnostic centres and fifteen estate primary health care centres across the industry provide health care services to GuySuCo's employees and pensioners. The staff comprises 46 medical personnel which include 6 Doctors, 10 Medexes and 30 Nurses.

Number of visits to all Health Centres, including Ogle Diagnostic Centre (ODC) for the period January to December 2015 amounted to 89, 989 compared to 104, 438 for the same period in 2014, a 14% decline in visitors. There has been a declining trend in attendance over several years.

Medical Examinations are a very important activity of the Health Service. To date, 4,604 employees were medically examined and counselled.

The Medical Board evaluated 86 employees of which 82 were medically discharged, 3 deemed fit for normal duties and one (1) recommended for alternative duties. Seventy nine employees or 96% of the employees who were medically discharge were 50yrs. and below, the most productive period of their lives. Fifty six employees (68%) were discharged because of illness and only 14 or 17% were discharged for injuries.

Sixty health education sessions were conducted for this period at all location in the industry. Topics included alcohol and substance abuse, obesity, nutrition, physical activity, diabetes, hypertension, back injuries and work stress. At the General Agricultural Workers Union (GAWU) Labour College, 12 lectures on Alcohol and substance Abuse were delivered by Estate Medical Officers and the Chief Medical Officer (CMO).

A fleet of 8 ambulances made 5,186 trips responding to emergencies from the workforce and communities.

MARKETING

In 2015, the Corporation continued to trade in the markets that it has been historically supplying with bulk raw brown sugar and direct consumption (value added) sugar. These markets remain a strong focus of our efforts. Additionally, the Marketing Department continues to work with the Corporation's marketing agent Czarnikow Group Limited to seek out new opportunities and markets worldwide.

This effort has led to the Corporation being able to enter into a new market within Europe namely, Italy by supplying the customer with Demerara specials, packed in one tonne sacks. This effort also enabled the Corporation to penetrate the Canadian marketplace with its direct consumption sugar. Also, during the year under review the Corporation was able to re-enter the United States of America (USA) market with its branded sugar 'Enmore Crystals'.

Long Term Sales Agreement:

The Corporation maintained its delivery of bulk raw sugars to American Sugar Refiners under its Long Term Sales Agreement. During 2015, a total of 127,591 metric tonnes of raw brown sugar was sold to ASR's UK subsidiary, Tate and Lyle, under the said Agreement.

United States of America (USA) Quota

The Corporation shipped the entire quota of 27,181 tonnes of sugar to the USA under the Tariff-Rate Quota (TRQ) allocations for the period 2015. This covers the quota years 2014/2015 and 2015/2016.

Direct Consumption Sugars

Europe, Canada and USA Markets

The continuation of low production levels and the Corporation's commitment under its Long Term Sales Agreement with Tate and Lyle resulted in limited sugar being available for supply to the Direct Consumption market in Europe once again. However, an improvement over 2014 was recorded, since a total 638 tonnes was exported during the review period.

Sale of direct consumption sugar to the USA resumed in 2015 under the brand name "Enmore Crystals". The Corporation was able to export a total of 41 tonnes of packaged and bagged sugars into this market in the last quarter of 2015 and 25 tonnes of packaged sugar into the Canadian market.

CARICOM

The Corporation continued its efforts to recapture the CARICOM market. The Corporation believes it has the ability to do this, particularly as a manufacturer who places price, service and value at the core of its marketing effort. As such, bagged sales to the CARICOM market (at prices well above that of the EU market) showed improvement since sales totaled 19,863 tonnes as opposed to 16,976.00 metric tonnes in 2014. This consisted mainly of sales to Suriname, Trinidad and Tobago, Dominica, Barbados, Antigua and Grenada.

Regional

138 metric tonnes of sugar was shipped to the regional market in 2015. These included Anguilla, St. Croix, British Virgin Islands and St. Maarten.

The Corporation will continue to strategically focus our efforts in this region for our value-added sugars.

Local Market:

A sustained supply of sugar to the local market was maintained in 2015. Sugar sales totaled 21,112 tonnes, of which 2,974 metric tonnes was in retail packaged form.

Premium Value Added Sugars

The Corporation's total sales in the Value-added category for all markets totaled 8,042 tonnes.

Customer Service

The Marketing Department continues to execute its Customer Service Charter under the accreditation of the upgraded ISO 9001 /2008 Management System.

REPORT OF THE DIRECTORS

For the year ended 31st December, 2015

The Directors of the Guyana Sugar Corporation Inc. present their report together with the audited financial statements for the year ended 31st December, 2015.

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, the position at the end of the year and the proposed future developments.

Results and Dividends

The financial results of the Corporation are set out from page 30 onwards.

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 5. All the Directors are non-executive.

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 14.2.2 in the Financial Statements.

Corporate Governance

The Board believes that its primary function is to generate sustainable wealth for the shareholder as the key stakeholder in the business. The Guyana Sugar Corporation Inc. recognises the importance and is committed to high standards of corporate governance. This report by the Directors covers the key elements regarding the application by the Corporation of the principles of corporate governance.

(a) The Board:

The Board comprises of five non-executive Directors (including the Chairman). The Board considers that each Director is able to bring independent judgment to the Corporation's affairs in all matters. The Board meets not less than twelve times a year. It is responsible for the strategic direction of the Corporation and receives information about the progress of the Corporation and its financial position each month. This information, together with papers required for each Board meeting, is circulated in a timely manner before each meeting.

The Board has established the Central Tender Committee which evaluates all tenders for the supply of materials and services above predetermined levels.

(b) Internal Control:

The Board is responsible for the Corporation's system of internal control and for reviewing its effectiveness which is designed to provide reasonable (but not absolute) assurance regarding the safeguarding of assets against unauthorised use, the maintenance of proper accounting records and the reliability of the financial information used within the Corporation.

The framework of the Corporation's system of internal control includes:

- an organisational structure with clearly defined lines of responsibility and delegation of authority;
- documented policies, procedures, and authorisation limits for all transactions including capital expenditure;
- a comprehensive system of financial reporting. The Board approves the annual budget 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;
- an internal audit function

The system of internal control is designed to manage rather than eliminate risk as no system of control can provide absolute protection against loss.

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.

Employees

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 Corporation's senior staff Pension Scheme 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. In addition to the senior staff pension scheme the Corporation pays an ex-gratia pension to those unionized workers who satisfy the qualification criteria for a pension. This scheme is unfunded.

Material events after year-end

There was no material event that is material to the financial affairs of the Corporation or the group occurring between the date of the Balance Sheet and the date of approval of the Financial Statements.

Auditors

The Auditor General has audited the Financial Statements. For the financial years 1995 to 1998, inclusive, this activity was sub-contracted to Deloitte and Touche; for the financial years 1999 to 2003 this activity was sub-contracted to Ram and McRae; for the financial years 2004 to 2010 this activity was subcontracted to TSD Lal & Co; for the financial years 2011 to 2015. Parmesar Chartered Accountants were the sub-contracted auditors.

By order of the Board
Frederick Singh
Company Secretary
Registered Office
Ogle Estate
East Coast Demerara

REPORT OF THE AUDITOR GENERAL



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

AG: 33/2016

6 May 2016

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF GUYANA SUGAR CORPORATION INC.
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Chartered Accountants Parmesar Chartered Accountants have audited on my behalf the consolidated financial statements of Guyana Sugar Corporation Inc. which comprise of the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 41. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organisation of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working 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 and had carried out additional examinations, as necessary, in arriving at my opinion.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of Guyana Sugar Corporation Inc. as at 31 December 2015 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying my opinion I wish to emphasize the following:

With respect to the Corporation's indebtedness to the Guyana Revenue Authority for taxes amounting to \$2,623,400,644, the Guyana Revenue Authority has accepted the Corporation's proposal to discharge the liability over a period of five years (2011 - 2015). However, the Corporation's request for waiver of penalties and interest will be addressed in the agreement which will be entered into. The exact terms of this agreement have not yet been determined.

At 31 December 2015 the Company's accumulated deficit is \$41,476,177,111. The validity of the going concern basis on which the consolidated financial statements are prepared depends on the continued support from the Government of Guyana. Should the Company be unable to continue in operational existence, adjustments would have to be made to bring the consolidated statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify non-current assets as current assets. My opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

The consolidated financial statements of the Guyana Sugar Corporation Inc. comply with the requirements of the Companies Act 1991.



AUDIT OFFICE
D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

REPORT OF THE AUDITORS TO THE AUDITOR GENERAL

**REPORT OF THE CHARTERED ACCOUNTANTS
PARMESAR
TO THE AUDITOR GENERAL
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
GUYANA SUGAR CORPORATION INC.
FOR THE YEAR ENDED 31 DECEMBER 2015**

We have audited the accompanying consolidated financial statements of Guyana Sugar Corporation Inc. which comprise of the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 41.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Guyana Sugar Corporation Inc, as at 31 December 2015, and of the financial performance and the statement of cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion we wish to emphasise the following:

- with respect to the Corporation's indebtedness to the Guyana Revenue Authority for taxes amounting to G\$2,623,400,644, the Guyana Revenue Authority has accepted the Corporation's proposal to discharge the liability over a period of five years (2011 – 2015). However, the Corporation's request for waiver of penalties and interest will be addressed in the agreement which will be entered into. The exact terms of this agreement have not yet been determined.

- at December 31, 2015 the Company's accumulated deficit is \$41,476,177,111. The validity of the going concern basis on which the consolidated financial statements are prepared depends on the continued support from the Government of Guyana. Should the Company be unable to continue in operational existence, adjustments would have to be made to bring the consolidated statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify non-current assets as current assets. Our opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

The consolidated financial statements of the Guyana Sugar Corporation Inc. comply with the requirements of the Companies Act 1991.



PARMESAR

PARMESAR

27 April 2016

FINANCIALS

GUYANA SUGAR CORPORATION INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

		COMPANY		GROUP	
	NOTES	2015 \$M	2014 \$M	2015 \$M	2014 \$M
ASSETS					
Non current assets					
Property, plant and equipment	5	94,602	97,411	94,602	97,411
Deferred tax asset	6	26,961	26,806	27,066	26,877
Investments	7.1	335	372	335	372
Investment in subsidiary	7.2	22	22	-	-
Total non current assets		121,940	124,611	122,003	124,660
Current assets					
Inventories	8.1	3,481	3,395	3,481	3,395
Standing cane	8.2	4,132	5,298	4,182	5,338
Product stock	8.3	1,279	1,305	1,279	1,305
Trade receivables		3,714	2,271	3,738	2,920
Other receivables		2,664	2,456	2,664	2,456
Prepayments		514	798	514	798
Related party	14.1	298	258	-	-
Taxes recoverable		-	-	34	34
Cash on hand and at bank	9.1	1,942	770	1,969	797
Total current assets		18,224	16,541	18,061	16,423
TOTAL ASSETS		140,164	141,152	140,064	141,083
EQUITY AND LIABILITIES					
Shareholder's equity					
Stated capital	10	10,800	10,800	10,800	10,800
Revaluation reserve	11.1	50,849	50,849	50,849	50,849
Other reserves	11.2	357	393	357	393
Accumulated deficit		(41,476)	(39,608)	(41,559)	(39,652)
		20,530	22,434	20,447	22,390
Non controlling interest	7.3	-	-	(47)	(36)
Total equity		20,530	22,434	20,400	22,344
Non current liabilities					
Deferred tax liability	6	16,693	17,312	16,708	17,317
Deferred income	12	2,417	6,721	2,417	6,721
Borrowings	13.2	29,985	29,977	29,985	29,977
Employees retirement benefits	15	32,626	31,721	32,626	31,721
Total non-current liabilities		81,721	85,731	81,936	85,736
Current liabilities					
Trade payables		9,584	9,583	9,585	9,585
Other payables and accruals		17,252	12,328	17,252	12,328
Related parties	14.1	1,794	1,585	1,794	1,585
Taxation		2,623	2,623	2,637	2,637
Borrowings	13.1	5,048	4,834	5,048	4,834
Bank overdraft(secured)	9.2	1,412	2,044	1,412	2,044
Total current liabilities		37,713	32,988	37,728	33,003
TOTAL EQUITY AND LIABILITIES		140,164	141,152	140,064	141,083

The Board of Directors approved these financial statements for issue on 22 APRIL 2016


 Director


 Director
 Company Secretary

"The accompanying notes form an integral part of these financial statements."

**AUDITED FINANCIAL STATEMENTS OF
GUYANA SUGAR CORPORATION INC.**

**FOR THE YEAR ENDED
31 DECEMBER 2015**

**CONTRACTED AUDITORS: PARMESAR CHARTERED
ACCOUNTANTS
1 DELPH ST. & DUREY LANE
CAMPBELLVILLE,
GEORGETOWN**

**AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA**

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA SUGAR CORPORATION INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2015

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Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

119/PC: 34/2/2016

6 May 2016

Mr. Errol Hanoman
Chief Executive Officer
Guyana Sugar Corporation Incorporated
Ogle Estate
East Coast Demerara.

Dear Mr. Hanoman,

AUDIT OF THE BOOKS AND ACCOUNTS OF THE
GUYANA SUGAR CORPORATION INC.
FOR THE YEAR ENDED 31 DECEMBER 2015

Please find attached six (6) copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,


Nichette Harcourt
Audit Manager (ag.)
for Auditor General



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

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AG: 33/2016

6 May 2016

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF GUYANA SUGAR CORPORATION INC.
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Chartered Accountants Parmesar Chartered Accountants have audited on my behalf the consolidated financial statements of Guyana Sugar Corporation Inc. which comprise of the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 41. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organisation of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of Guyana Sugar Corporation Inc. as at 31 December 2015 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

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With respect to the Corporation's indebtedness to the Guyana Revenue Authority for taxes amounting to \$2,623,400,644, the Guyana Revenue Authority has accepted the Corporation's proposal to discharge the liability over a period of five years (2011 - 2015). However, the Corporation's request for waiver of penalties and interest will be addressed in the agreement which will be entered into. The exact terms of this agreement have not yet been determined.

At 31 December 2015 the Company's accumulated deficit is \$41,476,177,111. The validity of the going concern basis on which the consolidated financial statements are prepared depends on the continued support from the Government of Guyana. Should the Company be unable to continue in operational existence, adjustments would have to be made to bring the consolidated statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify non-current assets as current assets. My opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

The consolidated financial statements of the Guyana Sugar Corporation Inc. comply with the requirements of the Companies Act 1991.


D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

**REPORT OF THE CHARTERED ACCOUNTANTS
PARMESAR
TO THE AUDITOR GENERAL
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
GUYANA SUGAR CORPORATION INC.
FOR THE YEAR ENDED 31 DECEMBER 2015**

We have audited the accompanying consolidated financial statements of Guyana Sugar Corporation Inc. which comprise of the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 41.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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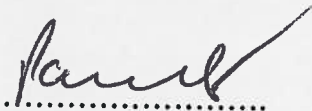
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Report on Other Legal and Regulatory Requirements

The consolidated financial statements of the Guyana Sugar Corporation Inc. comply with the requirements of the Companies Act 1991.



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PARMESAR


PARMESAR

27 April 2016

GUYANA SUGAR CORPORATION INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

		COMPANY		GROUP	
	NOTES	2015 \$M	2014 \$M	2015 \$M	2014 \$M
ASSETS					
Non current assets					
Property, plant and equipment	5	94,602	97,411	94,602	97,411
Deferred tax asset	6	26,981	26,806	27,066	26,877
Investments	7.1	335	372	335	372
Investment in subsidiary	7.2	22	22	-	-
Total non current assets		121,940	124,611	122,003	124,660
Current assets					
Inventories	8.1	3,481	3,395	3,481	3,395
Standing cane	8.2	4,132	5,288	4,182	5,338
Product stock	8.3	1,279	1,305	1,279	1,305
Trade receivables		3,714	2,271	3,738	2,300
Other receivables		2,864	2,456	2,864	2,456
Prepayments		514	798	514	798
Related party	14.1	298	258	-	-
Taxes recoverable		-	-	34	34
Cash on hand and at bank	9.1	1,942	770	1,969	797
Total current assets		18,224	16,541	18,061	16,423
TOTAL ASSETS		140,164	141,152	140,064	141,083
EQUITY AND LIABILITIES					
Shareholder's equity					
Stated capital	10	10,800	10,800	10,800	10,800
Revaluation reserve	11.1	50,849	50,849	50,849	50,849
Other reserves	11.2	357	393	357	393
Accumulated deficit		(41,476)	(39,608)	(41,559)	(39,662)
		20,530	22,434	20,447	22,380
Non controlling interest	7.3	-	-	(47)	(36)
Total equity		20,530	22,434	20,400	22,344
Non current liabilities					
Deferred tax liability	6	16,693	17,312	16,708	17,317
Deferred income	12	2,417	6,721	2,417	6,721
Borrowings	13.2	29,985	29,977	29,985	29,977
Employees retirement benefits	15	32,826	31,721	32,826	31,721
Total non-current liabilities		81,921	85,731	81,936	85,736
Current liabilities					
Trade payables		9,584	9,563	9,585	9,565
Other payables and accruals		17,252	12,328	17,252	12,328
Related parties	14.1	1,794	1,595	1,794	1,595
Taxation		2,623	2,623	2,637	2,637
Borrowings	13.1	5,048	4,834	5,048	4,834
Bank overdraft(secured)	9.2	1,412	2,044	1,412	2,044
Total current liabilities		37,713	32,988	37,728	33,003
TOTAL EQUITY AND LIABILITIES		140,164	141,152	140,064	141,083

The Board of Directors approved these financial statements for issue on 29 APRIL 2016


 Director


 Director
 Company Secretary

"The accompanying notes form an integral part of these financial statements."

GUYANA SUGAR CORPORATION INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015
DRAFT

	NOTES	COMPANY		GROUP	
		2015	2014	2015	2014
		\$M	\$M	\$M	\$M
Revenue	16	21,451	23,160	21,451	23,160
Cost of sales		35,041	42,004	35,055	41,985
Gross loss		(13,590)	(18,844)	(13,604)	(18,825)
Other income		16,909	3,537	16,909	3,537
Administrative expenses		(2,479)	(2,802)	(2,494)	(2,818)
Marketing and distribution expenses		(1,712)	(1,280)	(1,712)	(1,280)
Operating loss		(872)	(19,389)	(901)	(19,386)
Finance cost		(689)	(504)	(704)	(517)
Employees retirement benefits	15	(1,105)	(2,459)	(1,105)	(2,459)
Income from subsidiary and others		3	17	3	17
Loss before tax	17	(2,662)	(22,335)	(2,707)	(22,345)
Taxation	18	794	6,605	799	6,615
Loss for the year		(1,868)	(15,730)	(1,908)	(15,730)
Other Comprehensive income:					
Net loss on revaluation of investments		(36)	(6)	(36)	(6)
Other comprehensive income net of tax		(36)	(6)	(36)	(6)
Total comprehensive loss for the year		(1,904)	(15,736)	(1,944)	(15,736)
Loss for the year					
Attributable to:-					
Equity holders of the parent		(1,868)	(15,730)	(1,897)	(15,721)
Non controlling interest		-	-	(11)	(9)
		(1,868)	(15,730)	(1,908)	(15,730)
Total comprehensive loss for the year					
Attributable to:					
Equity holders of the parent		(1,904)	(15,736)	(1,933)	(15,727)
Non controlling interest	7.3	-	-	(11)	(9)
Loss for the year		(1,904)	(15,736)	(1,944)	(15,736)
Basic loss per share in dollars	24	(0.18)	(1.46)	(0.18)	(1.46)

"The accompanying notes form an integral part of these financial statements."

GUYANA SUGAR CORPORATION INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Company

	Notes	Stated Capital	Revaluation Reserve	Other Reserves	Retained Earnings	Total Equity
		\$M	\$M	\$M	\$M	\$M
Balance at January 1, 2014		10,800	50,849	399	(23,878)	38,170
Other comprehensive income		-	-	(6)	-	(6)
Loss for the year		-	-	-	(15,730)	(15,730)
Total comprehensive income for the year		-	-	(6)	(15,730)	(15,736)
Balance as at December 31, 2014		10,800	50,849	393	(39,608)	22,434
Other comprehensive income		-	-	(36)	-	(36)
Loss/Profit for the year		-	-	-	(1,868)	(1,868)
Total comprehensive income for the year		-	-	(36)	(1,868)	(1,904)
Balance at December 31, 2015		10,800	50,849	357	(41,476)	20,530

Group

	Attributable to equity holders of the parent					Total Equity
	Stated Capital	Revaluation Reserve	Other Reserves	Retained Earnings	Non Controlling Interest	\$M
	\$M	\$M	\$M	\$M	\$M	\$M
Balance at January 1, 2014	10,800	50,849	399	(23,941)	(27)	38,080
Other comprehensive income	-	-	(6)	-	-	(6)
Loss for the year	-	-	-	(15,721)	(9)	(15,730)
Total comprehensive income for the year	-	-	(6)	(15,721)	(9)	(15,736)
Balance as at December 31, 2014	10,800	50,849	393	(39,662)	(36)	22,344
Other comprehensive income	-	-	(36)	-	-	(36)
Loss/Profit for the year	-	-	-	(1,897)	(11)	(1,908)
Total comprehensive income for the year	-	-	(36)	(1,897)	(11)	(1,944)
Balance at December 31, 2015	10,800	50,849	357	(41,559)	(47)	20,400

"The accompanying notes form an integral part of these financial statements."

GUYANA SUGAR CORPORATION INC.
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	COMPANY		GROUP	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
OPERATING ACTIVITIES				
Adjustments for:	(2,662)	(22,335)	(2,707)	(22,345)
Depreciation and write down of assets	4,571	4,433	4,571	4,433
Gain on disposal of property, plant and equipment	(7)	34	(7)	34
Net interest	689	504	704	517
Income from subsidiary and others	(3)	(17)	(3)	(17)
Operating profit/(loss) before working capital changes	2,587	(17,382)	2,558	(17,378)
Decrease/(Increase) in inventories	(86)	429	(86)	429
(Increase) in standing cane	1,155	5,503	1,156	5,479
(Increase) in product stocks	26	(168)	26	(168)
Increase/(decrease) in accounts receivable, prepayments	(1,566)	(100)	(1,561)	(106)
Increase/(decrease) in amounts due from related parties	(41)	-	-	-
Increase in accounts payable and accruals	4,945	3,252	4,944	3,252
Increase/(decrease) in amounts due to related parties	199	19	199	59
Increase in defined benefit pension liability	1,105	2,459	1,105	2,459
Cash generated from operations	8,324	(5,988)	8,340	(5,973)
Interest paid	(689)	(504)	(704)	(517)
Taxes paid/adjusted	(0)	-	(0)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,635	(6,492)	7,635	(6,491)
INVESTING ACTIVITIES				
Interest received	-	-	-	-
Purchase of property, plant and equipment	(1,767)	(2,263)	(1,767)	(2,263)
Proceeds from sale of property, plant and equipment	12	-	12	-
Dividends received from investments	3	17	3	17
Dividends paid to minority interest	-	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(1,751)	(2,245)	(1,751)	(2,245)
FINANCING ACTIVITIES				
Proceeds from borrowing	224	859	224	859
Proceeds from Government Grant	(4,304)	4,145	(4,304)	4,146
NET CASH PROVIDED BY FINANCING ACTIVITIES	(4,080)	5,005	(4,080)	5,005
Increase/(decrease) in cash and cash equivalents	1,804	(3,733)	1,804	(3,731)
Cash and cash equivalents at beginning of the period	(1,274)	2,458	(1,247)	2,484
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	530	(1,274)	557	(1,247)
CASH AND CASH EQUIVALENT COMPRISED OF:-				
Cash on hand and at bank	1,942	770	1,969	797
Bank overdraft(secured)	(1,412)	(2,044)	(1,412)	(2,044)
	530	(1,274)	557	(1,247)

"The accompanying notes form an integral part of these financial statements."

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. INCORPORATION AND ACTIVITIES

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

Lochaber Limited's principal activity is the cultivation of sugar cane. Its registered office is at Ogle Estate, East Coast Demerara.

2. NEW AND REVISED STANDARDS

Application of new and revised Standards and Interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the prior year except for the adoption of new standards and interpretations which became effective during the period.

Revised standards and interpretations which became effective during the period and were adopted did not have any impact on the accounting policies, financial position or performance of the Company.

Standards and Interpretations not yet effective

There are several interpretations and amendments to existing standards which are not yet effective. The Company has not early adopted any such pronouncements. The directors anticipate that the adoption of these standards and interpretations will have no material impact on the financial statements of the Company.

	Effective for annual periods beginning on or after
IAS 1 Disclosure - Initiative - Amendments to IAS 1	1 January, 2016
IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January, 2016
IFRS 9 Financial Instruments: Classification and Measurement	1 January, 2018
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January, 2016
IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January, 2016
IFRS 14 Regulatory Deferral Accounts	1 January, 2016
IFRIC 15 Revenue from contracts with Customers	1 January, 2018

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED D1ECEMBER 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investments and fixed assets and conform with International Financial Reporting Standards and the Companies Act 1991.

3.2 Revenue and expense recognition

Revenue represents the amounts earned from the sale of sugar and molasses during the year. Revenue is recognized in the income statement on an accrual basis when the product is shipped, or for domestic sales, when the product is collected. Expenses are recognized at the fair value of the consideration paid/payable on an accrual basis.

3.3 Property, plant and equipment

Freehold land and buildings are stated at fair values as at January 1, 1999 as determined by professional valuers. Factory, plant and equipment are stated at Directors' valuation as at December 31, 2005. Freehold land and building and factory plant acquired subsequent to these valuation dates and other property, plant and equipment are stated at cost.

All assets with the exception of freehold land and work-in-progress are depreciated on the straight line method at rates sufficient to write off the cost or revaluation of these assets to their residual values over their estimated useful lives as follows:

Freehold buildings - wooden	-	Over 20 years
Freehold buildings - others	-	Over 33 years
Land expansion costs	-	According to tenure
Plant and machinery and equipment	-	From 5 to 17 years
Aircraft	-	Over 5 to 10 years
Motor vehicles	-	Over 4 years

All assets are tested for possible impairment based on income generated and net realizable value. Depreciation is calculated from the month following acquisition until the month of disposal. Capital work in progress is not depreciated until the relevant assets are brought into use.

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Freehold and leasehold land

In addition to 21,565 acres of land, the Group leases from the Government of Guyana 50,509 hectares of land on which it grows cane and for ancillary purposes.

The tenure of the lease is for fifty (50) years. There is no intent by the Government of Guyana to pass title to the company for any of these lands, therefore, they are all classified as operating leases in accordance with IAS 17.

3.5 Inventory

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

Product stocks are valued at the lower of cost of production and estimated realizable 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 realizable value is used if it is lower than the cost of production. Production costs include all estates' operations and administrative costs.

3.6 Standing cane

The value of standing cane is included in the financial statements as a biological asset. Standing cane is measured at fair value less estimated point of sale costs. The fair value of the cane is determined using the average cane farmers' price. This is determined using the weighted aggregate price achieved in the various markets for which sugar is supplied.

3.7 Research and development

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

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial instruments

Financial assets and liabilities are recognized on the company's statement of financial position when the company becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include investment securities, receivables, payables, accruals and cash resources. The recognition method adopted for investment securities is disclosed in the individual policy statements.

Investments

Investments are recognized in the financial statements to comply with International Accounting Standards.

The Company's investments have been classified as "Available-for-sale". "Available-for-sale" investments are initially recognized at cost and adjusted to fair value at subsequent periods. The classification of investments is regularly reviewed for any changes.

Gains or losses on "available-for-sale financial assets" are recognized through the statement of changes in equity until the asset is sold or otherwise disposed, at which time previously recognized gains or losses are transferred to the statement of income for that period.

Trade, other receivables and prepayments

Trade, other receivables and prepayments are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in statement of income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and at bank and fixed deposits maturing three months or less.

Trade, other payables and accruals

Trade, other payables and accruals are measured at amortised cost.

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 Reserves

(i) Surplus on revaluation of fixed assets (land and buildings) is credited to this account. This reserve is not distributable.

(ii) Other

Fair value adjustments of "available-for-sale" investments are credited to this account. This reserve is not distributable.

3.10 Impairment of tangible assets

At each reporting date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.11 Deferred Tax (cont'd)

Deferred tax assets are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred taxes are recognised as an expense or income in the consolidated statement of income.

3.12 Employee retirement benefits

The group participates in a contributory multi-employer pension plan, Guyana Sugar and Trading Enterprise Pension Scheme (STEPS), a defined benefit scheme, for its qualifying employees.

The contributions are held in trustee administered funds which are separate from the company's finances.

Employees who have retired and are not members of the pension scheme are paid ex-gratia pensions and are provided with post-retirement medical care, which are partially recoverable from the Sugar Industry Price stabilisation Fund.

The retirement benefit costs are assessed using the Projected Unit Credit method. Under this method, the cost of providing pensions is charged to the statement of income so as to spread the regular costs over the service lives of the employees. This is determined by professional actuaries. Actuarial gains and losses are recognized as income or expenses if the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting period exceed the greater of (a) 10% of the present value of the defined benefit obligation, and (b) 10% of the fair value of the plan assets at that date.

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Translation of foreign currency

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of the financial period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at the fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of comprehensive income for the period.

3.14 Presentation currency

The financial statements have been presented in Guyana dollars.

3.15 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3.16 Skeldon Sugar Modernisation Project (SSMP)

All expenses including borrowing costs to the modernization project had been charged as work- in- progress. This was capitalized on the commissioning of the factory during 2009. See Note 5.3

3.17 Basis of consolidation

The consolidated financial statements incorporate the financial statements made to December 31 each year of the Parent Company and Lochaber Limited (the subsidiary), a company controlled by the Parent. Control is achieved by virtue of the Company having the power to govern the financial and operating policies of the subsidiary through the Board of Directors. Details of the subsidiary are given in note 7.2 Intra group balances and transactions have been eliminated in preparing the consolidated financial statements

3.18 Basic earnings per share

Basic earnings per share attributable to ordinary equity holders of the parent is calculated by dividing profit or loss attributable to ordinary equity holders of the parent by the weighted number of ordinary shares outstanding during the period.

3.19 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds- IAS23- Borrowing costs. Borrowing costs that were directly attributable to the acquisition and construction of qualifying assets were capitalized during the year. Borrowing costs were computed using the effective interest method in accordance with IAS 39- Financial instruments: Recognition and measurement.

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Trade, other receivables and prepayments

On a regular basis, management reviews trade and other receivables to assess impairment. Based on information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairment of debts.

ii) Other financial assets

In determining the fair value of investments and other financial assets in the absence of a market, the directors estimate the likelihood of impairment by using discounted cash flows.

iii) Useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives of property, plant and equipment should remain the same.

iv) Impairment of financial assets

Management makes judgement at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

v) Retirement benefit asset/obligation

The provisions for defined benefit asset/obligation are determined by the actuary based on data provided by management. The computation of the provisions by the actuary assumes that the data provided is not materially misstated.

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

5. PROPERTY, PLANT & EQUIPMENT

5.1 COMPANY

2015

Cost/valuation	Land	Buildings others	Freehold Buildings wooden	Land expansion cost	Plant, machinery and equipment	Work in progress	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
As at Jan 01 2015	44,531	22,385	2,776	4,480	64,256	6,222	144,651
Transfers	-	21	21	388	1,728	(2,159)	-
Additions	-	-	-	30	116	1,620	1,767
Disposals	-	(9)	-	-	(74)	-	(83)
As at December 31, 2015	44,531	22,397	2,797	4,899	66,027	5,684	146,335
Comprising:							
Cost	7,338	11,962	2,797	4,899	62,806	5,684	95,486
Valuation	37,193	10,435	-	-	3,221	-	50,849
	44,531	22,397	2,797	4,899	66,027	5,684	146,335
Depreciation							
As at Jan 01 2015	-	6,166	1,241	685	39,148	-	47,240
Charge for the period	-	441	84	395	3,652	-	4,571
Written back on disposals	-	-	-	-	(79)	-	(79)
As at December 31, 2015	-	6,607	1,325	1,080	42,721	-	51,733
Net book value							
As at December 31, 2015	44,531	15,790	1,473	3,819	23,306	5,684	94,602

2014

Cost/valuation	Land	Buildings others	Freehold Buildings wooden	Land expansion cost	Plant, machinery and equipment	Work in progress	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
As at January 01 2014	44,545	22,389	2,739	3,514	62,359	7,452	142,998
Transfers	-	15	46	923	2,403	(3,387)	-
Additions	-	11	-	40	59	2,157	2,267
Interstate transfers	-	-	-	-	(5)	-	(5)
Disposals	-	(31)	(9)	-	(570)	-	(610)
Adjustments	(14)	-	-	3	10	-	-
As at December 31, 2014	44,531	22,385	2,776	4,480	64,256	6,222	144,651
Comprising:							
Cost	7,338	11,960	2,776	4,480	61,035	6,222	93,802
Valuation	37,193	10,435	-	-	3,221	-	50,849
	44,531	22,385	2,776	4,480	64,256	6,222	144,651
Depreciation							
As at January 01 2014	-	5,728	1,186	421	36,048	-	43,382
Charge for the period	-	448	83	265	3,637	-	4,432
Written back on disposals	-	(9)	(4)	-	(561)	-	(574)
Adjustments	-	-	(24)	-	24	-	-
As at December 31, 2014	-	6,166	1,241	685	39,148	-	47,240
Net book value							
As at December 31, 2014	44,531	16,219	1,535	3,795	25,108	6,222	97,411

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

5. PROPERTY, PLANT & EQUIPMENT

5.2 GROUP

							2015
Cost or valuation	Land	Buildings others	Buildings wooden	Land expansion cost	Plant, machinery and equipment	Work in progress	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
As at January 01 2015	44,531	22,385	2,776	4,480	64,256	6,222	144,651
Transfers	-	21	21	389	1,728	(2,159)	-
Additions	-	-	-	30	116	1,620	1,766
Disposals	-	(9)	-	-	(74)	-	(83)
As at December 31 2015	44,531	22,397	2,797	4,899	66,026	5,684	146,335
Comprising:							
Cost	7,338	11,962	2,797	4,899	62,806	5,684	95,486
Valuation	37,193	10,435	-	-	3,221	-	50,849
	44,531	22,397	2,797	4,899	66,027	5,684	146,335
Depreciation							
As at January 01 2015	-	6,166	1,241	685	39,148	-	47,240
Charge for the period	-	441	84	395	3,652	-	4,572
Written back on disposals	-	-	-	0	(79)	-	(79)
As at December 31 2015	-	6,607	1,324	1,080	42,721	-	51,733
Net book value							
As at December 31 2015	44,531	15,790	1,473	3,819	23,305	5,684	94,602

							2014
Cost or valuation	Land	Buildings others	Buildings wooden	Land expansion cost	Plant, machinery and equipment	Work in progress	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
As at January 01 2014	44,545	22,389	2,739	3,514	62,359	7,452	142,998
Transfers	-	15	46	923	2,403	(3,387)	-
Additions	-	11	-	40	59	2,157	2,267
Interstate transfers	-	-	-	-	(5)	-	(5)
Disposals	-	(31)	(9)	-	(570)	-	(610)
Adjustments	(14)	-	-	3	10	-	-
As at December 31 2014	44,531	22,384	2,776	4,480	64,256	6,222	144,651
Comprising:							
Cost	7,338	11,950	2,776	4,480	61,035	6,222	93,802
Valuation	37,193	10,435	-	-	3,221	-	50,849
	44,531	22,385	2,776	4,480	64,256	6,222	144,651
Depreciation							
As at January 01 2014	-	5,728	1,186	421	36,048	-	43,382
Charge for the period	-	448	83	265	3,637	-	4,433
Written back on disposals	-	(9)	(4)	-	(581)	-	(574)
Adjustments	-	-	(24)	-	24	-	-
As at December 31 2014	-	6,166	1,241	686	39,148	-	47,240
Net book value							
As at December 31 2014	44,531	16,218	1,535	3,794	25,108	6,222	97,411

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

5. PROPERTY, PLANT & EQUIPMENT (cont'd)

- 5.3** If no revaluation of land, buildings and equipment was done, the net book value of property, plant and equipment would have been approximately \$95,485,845,133 (2014 - \$93,803,326,413).

5.4 LEASEHOLD LANDS

Leasehold land represents 72% of land used to derive economic benefits by the Group. Since title is not expected to be passed to the group at the end of the lease, these leases are classified as operating leases. These are subject to several types of lease agreements, the status of which is as follows:

	<u>Hectares</u>
Unexpired leases	21,576
Unexpired Licences	181
Expired leases	1,673
Expired permissions	992
During the President's pleasure licenses	25,680
During the President's pleasure permissions	407
	<u>50,509</u>

The Group has received written confirmation that the Government of Guyana is committed to renewing all leases for lands beneficially occupied by Guyana Sugar Corporation Inc. Lease rentals will be reviewed from time to time by the Commissioner of Lands and Surveys and must be approved by the Government of Guyana.

Lease payment per hectare per annum has been as follows:

Prior to 1985	\$
From January 01, 1985 to May 31, 1998	10.0
From June 01, 1998	18.5
	2,471

A valuation prepared by a professional valuer placed a value on these lands of \$1,482,600 per hectare at January 01, 1999.

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

6. DEFERRED TAX

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

	COMPANY		GROUP	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Deferred tax liability				
Property, plant and equipment	15,454	14,074	15,474	15,737
Standing cane	1,239	3,238	1,234	1,581
	16,693	17,312	16,708	17,317
Deferred tax asset				
Tax value of losses carried forward	(17,131)	(17,289)	(17,199)	(17,341)
Property, plant and equipment	-	-	(18)	(18)
Defined benefit pension liability	(9,850)	(9,518)	(9,849)	(9,518)
	(26,981)	(26,806)	(27,066)	(26,877)

Movement in temporary differences

	COMPANY		
	Balance at Jan 01, 2015	Recognised in Income	Balance at Dec 31, 2015
Deferred tax liability			
Property, plant and equipment	15,724	(272)	15,452
Standing cane	1,588	(347)	1,241
	17,312	(619)	16,693
Deferred tax asset			
Tax value of losses carried forward	(17,289)	156	(17,132)
Defined benefit pension liability	(9,518)	(331)	(9,849)
	(26,806)	(175)	(26,981)

Movement in temporary differences

	GROUP		
	Balance at Jan 01, 2015	Recognised in Income	Balance at Dec 31, 2015
Deferred tax liability			
Property, plant and equipment	15,737	(263)	15,474
Standing cane	1,581	(347)	1,234
	17,317	(610)	16,708
Deferred tax asset			
Tax value of losses carried forward	(17,341)	142	(17,199)
Property, plant and equipment	(18)	-	(18)
Defined benefit pension liability	(9,518)	(331)	(9,849)
	(26,877)	(189)	(27,066)

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

7. INVESTMENTS

7.1 Investments

Available for sale:

Republic Bank Limited

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
335	372	335	372
335	372	335	372

In determining the value of investments, quotations from Guyana Association of Securities Companies and Intermediaries Inc. and Directors valuation for unquoted investments were used.

7.2 INVESTMENT IN SUBSIDIARY

Lochaber Limited

COMPANY	
2015	2014
\$M	\$M
22	22

The Corporation holds 36.8% of the share capital of Lochaber Limited. The Corporation exercises dominant influence over the financial and operating policies of Lochaber Limited through the membership of its Board. Investment in the subsidiary is accounted for by using the cost method in the Corporation's own financial statements.

7.3 Non controlling interest - not updated

At January 1
Share of loss
At December 31

GROUP	
2015	2014
\$M	\$M
	-
(36)	(27)
(11)	(9)
(47)	(36)

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

8. CURRENT ASSETS

8.1 Inventory categories

Fuel
Spares
Fertilizers and chemicals
Other
Gross Inventories
Less collectively assessed provision for slow moving and obsolete items
Net Inventories

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
64	98	64	98
1,795	1,834	1,795	1,834
430	521	430	521
1,539	1,288	1,539	1,288
3,827	3,741	3,827	3,741
(346)	(346)	(346)	(346)
3,481	3,395	3,481	3,395

It is estimated that fuel, fertilizers and chemicals and other inventories will be realised within one year
Spares expected to be recovered more than one year \$ 1,200M (2014 - \$1,600M).

8.2 Standing Cane

Standing cane is accounted for in accordance with IAS 41. The difference between the opening and closing balance is included in cost of sales

Balance as at January 01
Adjustment to cost of sales
Balance as at December 31

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
5,288	10,791	5,338	10,817
(1,158)	(5,503)	(1,158)	(5,479)
4,132	5,288	4,182	5,338

Standing Cane by Age

Age of Cane	COMPANY		GROUP		COMPANY		GROUP	
	2015	2014	2015	2014	2015	2014	2015	2014
	Hectares	Hectares	Hectares	Hectares	\$M	\$M	\$M	\$M
1-5 Months	27,979	27,883	27,980	25,483	-	-	-	-
6 Months	1,553	1,169	1,553	2,877	45	42	45	42
7 Months	384	179	407	920	25	14	25	14
8 Months	2,841	3,225	2,709	1,012	297	448	297	448
9 Months	4,257	4,540	4,257	2,200	994	1,306	994	1,357
10 Months	4,406	4,854	4,406	4,787	1,533	2,079	1,583	2,079
11 Months	2,417	1,643	2,417	3,075	962	805	962	805
12 Months	647	1,137	647	5,567	276	596	276	596
	43,983	44,420	44,355	45,832	4,132	5,288	4,182	5,338
					\$	\$	\$	\$
					58,400	71,885	58,400	71,885

Farmers' price per tonne of sugar

	COMPANY		Standing Cane Value (Farmers Price@TS Values)
	Farmers' Prices	Tones Sugar (TS) Values	
2015	58,400	70,755	4,132,090,833
2014	71,885	73,555	5,287,505,488
			(1,155,414,655)

The value of standing cane decreased by 21% due to decreased cane farmers' prices and tonnes sugar value derived from standing cane.

8.3 Product stock categories

Sugar
Molasses
Livestock

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
730	794	730	794
533	496	533	496
18	15	18	15
1,279	1,305	1,279	1,305

9. CASH AND CASH EQUIVALENTS

9.1 Cash on hand and at bank

GYP Dollar
US Dollar (Current a/c)
GBP
Euro

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
45	241	72	241
1,886	508	1,886	508
9	6	9	6
2	15	2	15
1,942	770	1,969	770

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

9. CASH AND CASH EQUIVALENTS (cont'd)

9.2 Bank overdraft (secured)

	COMPANY		GROUP	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Guyana Dollar(a)	<u>1,412</u>	<u>2,044</u>	<u>2,044</u>	<u>2,044</u>
(a) These comprised of:-				
(i) Guyana Bank for Trade and Industry Limited	992	1,290	992	1,290
(ii) Republic Bank Guyana Limited	298	243	298	243
(iii) Demerara Bank Limited	122	269	122	269
(iv) Bank of Nova Scotia	-	242	-	242
	<u>1,412</u>	<u>2,044</u>	<u>1,412</u>	<u>2,044</u>

Securities held consist of

(i) & (ii)- Over property situated at Plantation Ogle, East Coast Demerara

(iii) & (iv) - Over properties at Plantation Vryheids Lust, Plantation Montrose, Plantation Felicity, Plantation Better Hope & Plantation Brothers all of East Coast Demerara.

- Over properties at Plantation La Bonne Intention and Plantation Chateau Margot both of East Coast Demerara.
- Over properties at Plantation Le Ressenouvir and Plantation Success both of East Coast Demerara.

(b) Interest rates are as follows:-

	GROUP	
	2015	2014
Guyana Bank for Trade and Industry Limited	9%	9%
Republic Bank Guyana Limited	8%	8%
Demerara Bank Limited	8.5%	8.5%
Bank of Nova Scotia	8.5%	8.5%

10. STATED CAPITAL

The Corporation has an authorised stated capital of 10,800,000,000 at a minimum issue price of \$1 each and an issued stated capital of 10,799,571,775 ordinary shares. The fully paid ordinary shares have no par value and carry one vote per share and equal rights to dividends.

11. RESERVES

	COMPANY		GROUP	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
11.1 Revaluation reserve				
Revaluation of fixed assets	<u>50,849</u>	<u>50,849</u>	<u>50,849</u>	<u>50,849</u>

The Corporation revalued its freehold land and buildings and factory plant and machinery as at January 01, 1999. The valuation of the land and buildings was undertaken by an independent valuer. The original valuation as at January 01, 1999 of plant and machinery was used as a basis for value in use calculation from 2001 to date. The valuation is reviewed each year in light of changes in markets, production levels and exchange rate movements. The value was revised in 2009.

11.2 Other reserves

	COMPANY		GROUP	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$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	25	25
2. Monies received from the Government of Guyana for the purpose of financing projects in the Corporation's diversification programme.	18	18	18	18
3. 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 transferred to the Corporation. During 2002 \$14M was capitalised as equity.	2	2	2	2
4. Adjustment of investments to reflect fair value	312	348	312	348
	<u>357</u>	<u>393</u>	<u>357</u>	<u>393</u>

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

12. DEFERRED INCOME

	COMPANY		GROUP	
	2015 \$M	2014 \$M	2015 \$M	2014 \$M
Income from European Union	2,417	2,497	2,417	2,497
Income from Government of Guyana	-	4,224	-	4,224
	<u>2,417</u>	<u>6,721</u>	<u>2,417</u>	<u>6,721</u>

Deferred income represents income from the European Union as part of the Guyana National Action Plan (GNAP) submission for the mitigation against the EU price cuts. Funds received were utilised in the construction of the new packaging plant at Enmore Estate called Enmore Project Gold, which has resulted in the conversion of production into direct consumption sugars for the local and international markets.

Construction works commenced on the US\$12M facility in 2009 and was completed and signed in February 2012. Now that the factory is completed, deferred income is being transferred to the Statement of Comprehensive Income on an annual basis over the plant's useful economic life.

13. BORROWINGS

	COMPANY		GROUP	
	2015 \$M	2014 \$M	2015 \$M	2014 \$M
13.1 Current				
a) Government of Guyana Drainage and Irrigation financed by CDB	141	142	141	142
b) Consortium of local banks and Jamaica Bank (NCB Jamaica Ltd)	4,783	4,548	4,783	4,548
c) Government of Guyana Debenture	144	144	144	144
d) xxxxxxxxxxxxxxxxxxxxxxxxx	-	-	-	-
Total current loans	<u>5,048</u>	<u>4,834</u>	<u>5,048</u>	<u>4,834</u>
13.2 Non Current				
a) Government of Guyana Drainage and Irrigation financed by CDB	688	688	688	688
b) Government of Guyana SSMP	15,489	15,489	15,489	15,489
c) Government of Guyana SSMP financed by CDB	5,553	5,544	5,553	5,544
d) Government of Guyana SSMP financed by EXIM Bank	8,255	8,255	8,255	8,255
Total non- current loans	<u>29,985</u>	<u>29,977</u>	<u>29,985</u>	<u>29,977</u>
Repayments due in one year and included in current liabilities	<u>5,048</u>	<u>4,834</u>	<u>5,048</u>	<u>4,834</u>
Repayment due within 2-5 years	4,116	5,981	4,116	5,981
Repayment due after five years	<u>25,869</u>	<u>23,996</u>	<u>25,869</u>	<u>23,996</u>
	<u>29,985</u>	<u>29,977</u>	<u>29,985</u>	<u>29,977</u>

a) Government of Guyana Drainage and Irrigation financed by CDB

The loan from the Government of Guyana represents an on-lending of a loan from the Caribbean Development Bank for US\$5,050,000 to finance various drainage and irrigation projects. Total funds received amounted to US\$5,026,395. Interest is charged at the rate of 3% per annum on the principal and is paid on semi annual basis.

The repayment of the loan was due to commence 5 years after the date of the first disbursement and is to be paid in 34 equal semi - annual installments. The first disbursement was received in July 2002. The maturity date of the loan is June 2024.

b) Government of Guyana SSMP

This is an on - lending facility from the Government of Guyana for US\$58M to finance the new Skeldon factory. The full amount was deposited in an Escrow account with ING Bank. Interest is charged at a rate of 6.5% per annum on the principal and is to be paid on a semi-annual basis.

The repayment of the loan was due to commence 5 years after the date of the first disbursement and will be paid in 34 equal installments. A grace period of 3 years was granted in 2010 on the repayments by the Government of Guyana. The first disbursement was received in March 2005. The maturity date of the loan is February 2027.

c) Government of Guyana SSMP financed by CDB

This is an on - lending facility from the Government of Guyana for US\$24.8M financed by CDB. This facility is divided into two sections, Ordinary Capital Resources (OCR) for US\$ 11.8M and Special Funds Resources (SFR) for \$13.0M. These funds were used for the agricultural component of the new Skeldon factory. Drawdowns are made based on submission of contractors' certificates. To date a drawdown of US\$24.167M was made.

The repayment of the loan was due to commence 5 years after the date of the first disbursement and will be paid in 34 equal semi - annual installments. A grace period of 3 years was granted in 2010 on the repayments by the Government of Guyana. The first disbursement was received in May 2005. The maturity date of the loan is April 2027. Interest is charged at the rate of 6.5% on the OCR portion and 3% on the SFR portion per annum on the principal amount.

d) Government of Guyana SSMP financed by EXIM Bank

This is an on - lending facility from the Government of Guyana for US\$35M financed by the Export and Import Bank of China (EXIM). These funds are to be used for the Co-generation Facility of the new Skeldon factory. Drawdowns are made based on submission of contractors' certificates. To date a drawdown of US\$35M was made.

The repayment of the loan was due to commence 5 years after the date of the first disbursement and will be paid in 24 equal installments. A grace period of 3 years has been granted in 2010 on the repayments by the Government of Guyana. The first disbursement was received in March 2005. The maturity date of the loan is February 2022. Interest is charged at a rate of 4.5% per annum.

e) Consortium of local banks and Jamaica Bank (NCB Jamaica Limited)

This is a short term line of credit as part of a consortium lending arrangement by participating Licensed Financial Institutions of Guyana totaling G\$788M. Funds were also received as a short term line of credit from NCB Jamaica Limited totaling \$3,975M.

f) Government of Guyana debenture

This is a convertible Government of Guyana debenture. The Government of Guyana is the major shareholder and issuer of the debenture on which no interest is charged.

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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14. RELATED PARTIES

14.1 Amounts due to related parties

Government of Guyana - Lease rentals
 Sugar Industry Labour Welfare Fund

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
422	331	422	331
1,372	1,284	1,372	1,284
1,794	1,595	1,794	1,595

14.1 Amount due from related party

Lochaber

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
298	258	-	-

Total rent payable for the lease lands to the Government of Guyana was \$421.8M(2014 - \$331.2), no payment was made in 2015.

Total levies payable to Sugar Industry Welfare Fund was \$1,372M whilst claims made by Guyuco for work done on behalf of the welfare was \$313M. This was paid in 2015

14.2 Related parties transactions

14.2.1 Key Management Personnel

The company's key management personnel is comprised of the Chief Executive Officer, Deputy Chief Executive Office, Functional Directors and
 The remuneration paid to key management personnel during the year was as follows:

Short term employee benefit

COMPANY		GROUP	
2015	2014	2015	2014
\$M	\$M	\$M	\$M
396	-	396	-

14.2.2 Directors' fees and expenses

	COMPANY				GROUP			
	2015		2014		2015		2014	
	Fees \$000	Expenses \$000	Fees \$000	Expenses \$000	Fees \$000	Expenses \$000	Fees \$000	Expenses \$000
Directors								
Mrs. Geeta Singh -Knight	48	-	71	-	48	-	71	-
Dr. Rajendra Singh	-	-	69	-	-	-	69	-
Mr. Keith Burrows	48	-	71	-	48	-	71	-
Dr. Dindyal Permaul	48	-	71	-	48	-	71	-
Mr. Badrie Persaud	48	-	71	-	48	-	71	-
Mr. Dunstan Barrow	65	-	-	-	65	-	-	-
Dr. Clive Thomas	48	-	-	-	48	-	-	-
Mr. George Jervis	54	-	-	-	54	-	-	-
Mr. Earl John	12	-	-	-	12	-	-	-
Taxes Paid	76	-	-	-	76	-	-	-
	445	-	354	-	445	-	354	-

All directors' expenses have been incurred on corporate business. Directors' fees comprise those amounts paid to or on behalf of directors in respect of services as directors.

GUYANA SUGAR CORPORATION INC.
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15. EMPLOYEES RETIREMENT BENEFITS

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2015 by Bacon Woodrow & De Souza. The present valuation of the defined benefit obligation and the related current service cost were measured by the actuaries at 31 December 2015 using the Projected Unit Credit Method.

	2015				2014			
	Post Retirement Medical	STEPS Scheme	Ex Gratia Scheme	Total	Post Retirement Medical	STEPS Scheme	Ex Gratia Scheme	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
15.1 The amounts recognized in the Statement of Financial Position are as follows:								
Present value of defined benefit obligation	574	12,362	30,389	43,325	574	11,945	30,054	42,573
Fair value of assets	-	(10,499)	-	(10,499)	-	(10,852)	-	(10,852)
(Surplus)/Deficit	574	1,863	30,389	32,826	574	1,093	30,054	31,721
Effect of Asset Ceiling	-	-	-	-	-	-	-	-
Net defined benefit liability/(Asset)	574	1,863	30,389	32,826	574	1,093	30,054	31,721
15.2 Reconciliation of opening and closing defined benefit liability								
Defined benefit liability at the beginning of the year	574	1,093	30,055	31,721	574	341	28,347	29,262
Unrecognised gain/(loss) from 2011	-	-	-	-	-	-	-	-
Unrecognised gain/(loss) 2012	-	-	-	-	-	-	-	-
Opening Defined Benefit Liability/(Asset)	574	1,093	30,055	31,721	574	341	28,347	29,262
Net Pension Cost	-	549	2,944	3,493	-	507	2,829	3,335
Re-measurements	-	285	(1,839)	(1,554)	-	245	(378)	(133)
Less company contribution/benefits paid	-	(43)	(770)	(813)	-	-	(743)	(743)
Closing defined benefit liability/(Asset)	574	1,863	30,389	32,826	574	1,093	30,055	31,721
15.3 The amounts recognized as staff costs in the Statement Of Income are as follows:								
Current service cost	-	489	1,164	1,652	-	490	1,150	1,640
Net interest on net defined benefit liability/(Asset)	-	60	1,781	1,841	-	16	1,679	1,695
Past Service Cost/(Credit)	-	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-
Net Pension Cost	-	549	2,944	3,493	-	507	2,829	3,335
15.4 Actual return on Plan Assets								
Expected return on Plan assets	-	(532)	-	(532)	-	(478)	-	(478)
Actuarial (Gain)/loss on Plan Assets/ Interest Income	-	638	-	638	-	654	-	654
Actual return on Plan Assets	-	106	-	106	-	177	-	177
15.5 Actuarial assumptions					2015		2014	
(i) Funded Scheme								
Discount rate					6%		6%	
Salary increases					6%		6%	
Pension increases					2%		2%	
Rate of return on Pension Plan assets					7%		7%	
(ii) Unfunded Scheme								
Discount rate					6%		6%	
Salary increases					6%		6%	
Pension increases					5%		5%	
Rate of return on Pension Plan assets					N/A		N/A	

There is no Pension Scheme for the subsidiary company.

	Ex Gratia Scheme					Steps Scheme			
	2015	2014	2013	2012	2011	2015	2014	2013	2012
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	RESTATED G\$ 000
Experience History									
Defined benefit obligation	30,389	30,054	28,347	27,331	26,117	12,362	11,945	11,459	10,899
Fair Value Plan Assets	-	-	-	-	-	(10,499)	(10,852)	(11,119)	(9,890)
(Surplus)/Deficit	30,389	30,054	28,347	27,331	26,117	1,863	1,093	341	1,009
Experience Adjustment on Plan Liabilities	(1,839)	(378)	(1,061)	(818)	(3,259)	(267)	(232)	(221)	(448)
Experience Adjustment on Plan Assets	-	-	-	-	-	637.80	654	595	532
Expected Company Contributions in 2016	809					1123			

Data given to the actuaries included the Corporation's best possible estimations of details where precision was not possible. This was required for them to calculate liabilities according to IAS 19. The actuaries have cautioned that the figures are subject to change after a more complete assessment is carried out on the scheme in 2016

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
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15. EMPLOYEES RETIREMENT BENEFITS (cont'd)

15.6 Asset Allocation

	<u>2015</u>	<u>2014</u>
Equity Securities	18.20%	18.20%
Debt Securities	24.20%	24.20%
Property	7.20%	7.20%
Other	<u>50.40%</u>	<u>50.40%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

The Scheme does not directly hold any assets of Guyana Sugar Corporation Inc

16. REVENUE

	<u>COMPANY</u>		<u>GROUP</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>
Revenue by products				
Sugar	18,434	20,227	18,434	20,227
Molasses	2,799	2,692	2,799	2,692
Co-generation Electricity	218	241	218	241
Total Sales	<u>21,451</u>	<u>23,160</u>	<u>21,451</u>	<u>23,160</u>
Revenue by major markets				
Europe	10,775	14,425	10,775	14,425
North America	2,526	1,356	2,526	1,356
Caribbean	4,668	3,281	4,668	3,281
Guyana	3,409	4,021	3,409	4,021
Other Markets	73	77	73	77
	<u>21,451</u>	<u>23,160</u>	<u>21,451</u>	<u>23,160</u>

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

GUYANA SUGAR CORPORATION INC.

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FOR THE YEAR ENDED DECEMBER 31, 2015

	COMPANY		GROUP	
	2015 \$M	2014 \$M	2015 \$M	2014 \$M
17. LOSS BEFORE TAXATION	(2,662)	(22,335)	(2,707)	(22,345)
After charging -				
Employment Costs				
Wages and salaries	20,408	22,565	20,408	22,565
Social security contributions	1,260	1,288	1,280	1,288
Employees retirement benefits	1,105	-	1,105	-
Materials and services purchased	10,874	10,835	10,874	10,835
Research and development expenses	158	161	158	161
Directors' fees & expenses	1	1	1	1
Depreciation	4,571	4,433	4,571	4,433
Auditors' remuneration-audit services	10	10	10	10
Interest expense -	689	504	689	504
After crediting				
Available for sale Income (Republic Bank dividends)	3	17	3	17
18. TAXATION				
Reconciliation of corporation tax expense and accounting loss:				
Accounting loss	(2,662)	(22,335)	(2,707)	(22,345)
Corporation tax @30%	(799)	(6,701)	(812)	(6,704)
Add: Tax effect of expenses not deductible in determining taxable profits				
Depreciation for accounting purposes	1,371	1,329	1,371	1,330
Defined benefit pension cost	331	738	331	738
	904	(4,634)	891	(4,636)
Deduct:				
Depreciation for tax purposes	(1,071)	(2,783)	(1,071)	(2,783)
Standing Cane	(347)	(1,651)	(347)	(1,651)
Tax losses	(281)	2,484	(290)	2,455
	(795)	(6,805)	(617)	(6,615)
Corporation Tax	-	-	-	-
Deferred Tax	(794)	(6,805)	(799)	(6,615)
	(794)	(6,805)	(799)	(6,615)
Property Tax - current year	-	-	-	-
- prior year	-	-	-	-
	(794)	(6,805)	(799)	(6,615)
Taxation - current	-	-	-	-
- prior year	-	-	-	-
- deferred	(794)	(6,805)	(799)	(6,615)
	(794)	(6,805)	(799)	(6,615)

No deferred tax liability has been recognised in relation to capital gains taxes which would become payable on factory plant, machinery and equipment should the revaluation surplus be realised upon disposal of the revalued assets. This is because the Corporation does not intend to dispose of these assets other than in the normal course of business.

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

COMPANY

	2015			
	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
	\$M	\$M	\$M	\$M
ASSETS				
Investments	335	-	-	335
Trade receivables	-	3,714	-	3,714
Other receivables and prepayments	-	3,378	-	3,378
Cash on hand and at bank	-	-	1,942	1,942
Total assets	335	7,092	1,942	9,368
LIABILITIES				
Employees retirement benefit	-	-	32,826	32,826
Trade payables	-	-	9,584	9,584
Other payables	-	-	17,252	17,252
Related parties	-	-	1,794	1,794
Borrowings	-	-	35,033	35,033
Taxation	-	-	2,623	2,623
Bank overdraft(secured)	-	-	1,412	1,412
Total liabilities	-	-	100,524	100,524

	2014			
	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
	\$M	\$M	\$M	\$M
ASSETS				
Investments	372	-	-	372
Trade receivables	-	2,271	-	2,271
Other receivables and prepayments	-	3,253	-	3,253
Related party	-	-	258	258
Cash on hand and at bank	-	-	770	770
Total assets	372	5,524	1,028	6,924
LIABILITIES				
Employees retirement benefit	-	-	31,721	31,721
Trade payables	-	-	9,563	9,563
Other payables	-	-	12,328	12,328
Related parties	-	-	1,595	1,595
Borrowings	-	-	34,811	34,811
Taxation	-	-	2,623	2,623
Bank overdraft(secured)	-	-	2,044	2,044
Total liabilities	-	-	94,685	94,685

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

**GROUP
2015**

	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
	\$M	\$M	\$M	\$M
ASSETS				
Investments	335	-	-	335
Trade receivables	-	3,738	-	3,738
Other receivables and prepayments	-	3,378	-	3,378
Taxes recoverable	-	34	-	34
Cash on hand and at bank	-	-	1,969	1,969
Total assets	335	7,150	1,969	9,454
LIABILITIES				
Employees retirement benefit	-	-	32,826	32,826
Trade payables	-	-	9,585	9,585
Other payables	-	-	17,252	17,252
Related parties	-	-	1,794	1,794
Borrowings	-	-	35,033	35,033
Taxation	-	-	2,637	2,637
Bank overdraft(secured)	-	-	1,412	1,412
Total liabilities	-	-	100,540	100,540

2014

	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
	\$M	\$M	\$M	\$M
ASSETS				
Investments	372	-	-	372
Trade receivables	-	2,300	-	2,300
Other receivables and prepayments	-	3,254	-	3,254
Taxes recoverable	-	34	-	34
Related party	-	-	258	258
Cash on hand and at bank	-	-	797	797
Total assets	372	5,588	1,055	7,015
LIABILITIES				
Employees retirement benefit	-	-	31,721	31,721
Trade payables	-	-	9,565	9,565
Other payables	-	-	12,328	12,328
Related parties	-	-	1,595	1,595
Borrowings	-	-	34,811	34,811
Taxation	-	-	2,637	2,637
Bank overdraft(secured)	-	-	2,044	2,044
Total liabilities	-	-	94,701	94,701

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	COMPANY		GROUP	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Expenditure authorised by the Directors				
Capital expenditure	<u>4,154</u>	<u>6,134</u>	<u>4,154</u>	<u>6,134</u>

The capital expenditure for 2016 will be funded by a combination of facilities lent by the Government of Guyana, provided by other suppliers of finance and from self generated funds.

Contrary to previous practice, the Commissioner of Internal Revenue in 2000 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.

21. PENDING LITIGATION

There are several actions for which the liability of the Group, if any, has not been determined. The maximum potential liability at the end of the year is estimated at \$250M (2014 \$183M)

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Group's management monitors and manages the financial risk relating to the operations of the Group through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (currency risk, interest risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

(a) Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Group's exposure to market risk arises from its local and foreign securities.

Management continually identifies, evaluates, underwrites and diversifies risks in order to minimise the total cost of carrying such risk.

(i) Foreign currency risk

The Group's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from bank balances, other assets and loans in United States Dollars, Sterling and Euros.

The financial statements at December 31 include the following assets and liabilities denominated in foreign currency stated in the Guyana dollar equivalent.

	Group 2015			
	US Dollar	GBP	Euro	Total
	\$M	\$M	\$M	\$M
Assets	3,970	9	11	3,990
Liabilities	(5,192)	(269)	-	(5,462)
Net Asset/(liability)	(1,222)	(260)	11	(1,471)

	Group 2014			
	US Dollar	GBP	Euro	Total
	\$M	\$M	\$M	\$M
Assets	1,029	6	25	1,060
Liabilities	(5,314)	(210)	(1)	(5,524)
Net Asset/(liability)	(4,285)	(204)	24	(4,465)

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the Guyana dollar (GYD) against the relevant currencies, 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit where the currency strengthens 5% against the GYD. For a 5% weakening of the currency against GYD there would be an equal and opposite impact on the profit and the balances below would be reversed.

	<u>US\$ Impact</u>		<u>Sterling Impact</u>		<u>Euro Impact</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	\$M	\$M	\$M	\$M	\$M	\$M
Profit/(loss)	(61.12)	(214.28)	(13.00)	(10.18)	0.56	1.22

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

The Group's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

<u>COMPANY</u>	effective average interest rate	2015				
		Maturing			Non - interest bearing	Total
		Within 1Year \$M	1 to 5 years \$M	Over 5 years \$M		
Assets						
Investments		-	-	-	335	335
Trade receivables					3,714	3,714
Other receivables and prepayments		-	-	-	3,378	3,378
Cash and cash equivalents	3.75	1,942	-	-	-	1,942
		1,942	-	-	7,427	9,368
Liabilities						
Employees retirement benefits		-	-	-	32,826	32,826
Trade payables		-	-	-	9,584	9,584
Other payables					17,252	17,252
Related parties		-	-	-	1,794	1,794
Borrowings	8.50	5,048	4,116	25,869	-	35,033
Taxation		-	-	-	2,623	2,623
Bank overdraft(secured)	8.50	1,412	-	-	-	1,412
		6,460	4,116	25,869	64,079	100,524
Interest sensitivity gap		(4,518)	(4,116)	(25,869)		
<u>COMPANY</u>		2014				
		Maturing			Non- interest bearing	Total
		Within 1 Year \$M	1 to 5 years \$M	Over 5 years \$M		
Assets						
Investments		-	-	-	372	372
Trade receivables		-	-	-	2,271	2,271
Other receivables and prepayments					3,254	3,254
Related party		-	-	-	258	258
Cash and cash equivalents	3.75	770	-	-	-	770
		770	-	-	6,154	6,925
Liabilities						
Employees retirement benefits		-	-	-	31,721	31,721
Trade payables		-	-	-	9,563	9,563
Other payables					12,327	12,327
Related parties		-	-	-	1,595	1,595
Borrowings	8.50	4,834	5,981	23,996	-	34,811
Taxation		-	-	-	2,623	2,623
Bank overdraft(secured)	8.50	2,044	-	-	-	2,044
		6,878	5,981	23,996	57,829	94,684
Interest sensitivity gap		(6,108)	(5,981)	(23,996)		

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk (cont'd)

(ii) Interest rate risk

GROUP	effective average interest rate	2015				
		Maturing				Total
		Within 1 Year \$M	1 to 5 years \$M	Over 5 years \$M	Non - interest bearing \$M	
Assets						
Investments		-	-	-	335	335
Trade receivables					3,738	3,738
Other receivables and prepayments		-	-	-	3,378	3,378
Tax recoverable		-	-	-	34	34
Cash and cash equivalents	3.75	1,969	-	-	-	1,969
		1,969	-	-	7,485	9,454
Liabilities						
Employees retirement benefits		-	-	-	32,826	32,826
Trade payables					9,585	9,585
Other payables		-	-	-	17,252	17,252
Related parties		-	-	-	1,794	1,794
Borrowings	8.50	5,048	4,116	25,869	-	35,033
Taxation		-	-	-	2,637	2,637
Bank overdraft(secured)	8.50	1,412	-	-	-	1,412
		6,460	4,116	25,869	64,094	100,539
Interest sensitivity gap		(4,491)	(4,116)	(25,869)		
GROUP		2014				
		Maturing				Total
		Within 1 Year \$M	1 to 5 years \$M	Over 5 years \$M	Non- interest bearing \$M	
Assets						
Investments		-	-	-	372	372
Trade receivables					2,300	2,300
Other receivables and prepayments		-	-	-	3,254	3,254
Tax recoverable		-	-	-	34	34
Cash and cash equivalents	3.75	797	-	-	-	797
		797	-	-	5,960	6,757
Liabilities						
Employees retirement benefits		-	-	-	31,721	31,721
Trade payables					9,565	9,565
Other payables		-	-	-	12,328	12,328
Related parties		-	-	-	1,595	1,595
Borrowings	8.50	4,834	4,116	25,861	-	34,811
Taxation		-	-	-	2,637	2,637
Bank overdraft(secured)	8.50	2,044	-	-	-	2,044
		6,878	4,116	25,861	57,846	94,701
Interest sensitivity gap		(6,081)	(4,116)	(25,861)		

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

22 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk (cont'd)

(ii) Interest rate risk cont'd

(ii) Interest rate sensitivity analysis

The table below analyses the sensitivity of interest rates exposure for both financial assets and liabilities at the end of the reporting period. For floating rate instruments, the analysis is prepared assuming the amount of the instrument outstanding at the end of the reporting period was outstanding for the whole year. A fifty (50) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents managements assessment of the reasonably possible change in interest rate.

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profits or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of the asset and liabilities

The impact on the profit for the year is the effect of changes in interest rates on the floating interest rates of financial assets and liabilities.

This impact is illustrated on the following table:

		Impact on loss for the year			
		<u>Company</u>	<u>Group</u>	<u>Company</u>	<u>Group</u>
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		<u>G\$M</u>	<u>G\$M</u>	<u>G\$M</u>	<u>G\$M</u>
	Increase/ decrease in basis point				
Cash & cash equivalent	+ /-50	19	8	19	8
Borrowings	+ /-50	364	369	364	369

(iii) Price risk

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Management continually identifies, underwrites and diversifies risk in order to minimize the total cost of carrying such risk.

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity risk (cont'd)

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Group manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The Group's policy is to maintain a strong liquidity position and to manage the liquidity profile of assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations met when due.

The information given below relates to the major financial assets and liabilities based on the remaining period at 31 December to the contractual maturity dates.

	GROUP 2015				
	Maturing				
	Within 1 year			Over 5 years	Total
	on demand	due in 3 months	due 3 - 12 months		
	\$M	\$M	\$M	\$M	\$M
Assets					
Investments	-	-	-	335	335
Trade receivables	1,200	2,538	-	-	3,738
Other receivables and prepayments	1,650	1,728	-	-	3,378
Taxes recoverable	-	-	34	-	34
Cash on hand and at bank	1,969	-	-	-	1,969
Total assets	4,819	4,266	34	335	9,455
Liabilities					
Employees retirement benefits	-	-	-	32,826	32,826
Trade payables	9,585	-	-	-	9,585
Other payables	17,252	-	-	-	17,252
Related parties	-	-	1,794	-	1,794
Borrowings	-	-	5,048	4,116	35,033
Taxation	-	-	2,637	-	2,637
Bank overdraft(secured)	1,412	-	-	-	1,412
Total liabilities	28,249	-	9,479	58,695	100,539
Net asset/(liabilities)	(23,430)	4,266	(9,445)	(58,360)	(91,084)

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity risk (cont'd)

	GROUP 2014					
	Maturing					
	Within 1 year					
	on demand	due in 3 months	due 3 - 12 months	2 to 5 years	Over 5 years	Total
Assets	\$M	\$M	\$M	\$M	\$M	\$M
Investments	-	-	-	-	372	372
Trade receivables	1,012	1,288	-	-	-	2,300
Other receivables and prepayments	1,930	1,324	-	-	-	3,254
Taxes recoverable	-	-	34	-	-	34
Cash on hand and at bank	797	-	-	-	-	797
Total assets	3,739	2,612	34	-	372	6,757
Liabilities						
Employees retirement benefits	-	-	-	-	31,721	31,721
Trade payables	9,565	-	-	-	-	9,565
Other payables	12,328	-	-	-	-	12,328
Related parties	-	-	1,595	-	-	1,595
Borrowings	-	-	4,834	5,981	23,996	34,811
Taxation	-	-	2,637	-	-	2,637
Bank overdraft(secured)	2,044	-	-	-	-	2,044
Total liabilities	23,937	-	9,066	5,981	55,717	94,701
Net asset/(liabilities)	(20,198)	2,612	(9,032)	(5,981)	(55,345)	(87,944)

GUYANA SUGAR CORPORATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

22. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit risk

The table below shows the company's maximum exposure to credit risk:

	Company		Group	
	Maximum exposure		Maximum exposure	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Cash on hand and at bank	1,942	770	1,969	797
Investments	335	372	335	372
Investment in subsidiary	22	22	-	-
Trade, other receivables and prepayments	7,092	5,525	7,116	5,554
Tax recoverable	-	-	34	34

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the group.

The Company and Group face credit risk in respect of their receivables and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the Group. The maximum credit risk faced by the Group is the balance reflected in the financial statements.

Cash and cash equivalents are held by commercial banks. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligation as they fall due.

The related risk is therefore considered very low.

Investments reflected in the Company and Group Statement of Financial Position are assets for which the likelihood of default is considered minimal by the Directors.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables on a regular basis.

	Company		Group	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Trade and other receivables (excluding prepayments)	6,578	4,727	6,602	4,756

The above balances are classified as follows:

	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Current	4,683	1,400	4,683	1,400
Past due but not impaired	1,896	3,327	1,920	3,356
	6,578	4,727	6,602	4,756

Aging of trade and other receivables which was past due but not impaired

	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Past Due up to 29 days	435	1,953	459	1,953
Past Due 30 - 59 days	27	290	27	290
Past Due 60 - 89 days	36	153	36	153
Past Due 90 - 179 days	75	18	75	18
Past Due over 180 days but less than 1 year	1,318	135	1,318	135
Past Due more than 1 year	18	793	18	793
	1,909	3,342	1,933	3,342
Collectively assessed provision for bad debts	(15)	(15)	(15)	(15)
	1,895	3,327	1,919	3,327

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

23. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of issued capital, reserves and retained earnings.

Gearing ratio

The Group's management reviews the capital structure on an on-going basis. As part of this review management considers the cost of capital and the risks associated with each class of capital. The corporation have not set a target gearing ratio .

The gearing ratio at the year end was as follows:

	Company		Group	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Debt (i)	36,445	36,855	36,445	36,855
Cash in hand and at bank	(1,942)	(770)	(1,969)	(797)
Net debt	34,504	36,085	34,476	36,058
Equity (ii)	20,530	22,434	20,400	22,344
Net debt to equity ratio	1.68:1	0.82:1	1.69:1	0.82:1

(i) Debt is defined as long- and short-term borrowings and bank overdraft.

(ii) Equity includes all capital and reserves of the Group.

24. Basic loss per share

	COMPANY	
	2015	2014
	\$	\$
Loss for the year	(1,867,708,417)	(15,729,735,598)
Ordinary share issued and fully paid	Units 10,800,000,000	Units 10,799,571,775
Basic loss per share	(0.17)	(1.46)
	GROUP	
	2015	2014
Loss attributable to equity holders of the parent	(1,896,787,544)	(15,720,913,710)
Ordinary share issued and fully paid	10,800,000,000	10,799,571,775
Basic loss per share	(0.18)	(1.46)

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

25. European Union Sugar Protocol

The Economic Partnership Agreement (EPA), effective from October 1, 2008, replacing the Sugar Protocol, includes all the benefits of access, price and unlimited duration transposed into Duty - Free - Quota - Free (DFQF) access.

The key component of the EPA is the reciprocity which removes all established trade preferences between the EU and Guyana resulting in bilateral commercial contracts. The EPA also hopes to improve the investment in the sector while promoting public-private partnerships.

The Group is assessing all the strategic options available in the open market for sugar trade after 2015.

26. Fair value of financial instruments

The following table details the carrying costs of financial assets and liabilities and their fair values

	GROUP 2015		GROUP 2014	
	<u>Carrying Value</u> \$M	<u>Fair Value</u> \$M	<u>Carrying Value</u> \$M	<u>Fair Value</u> \$M
Financial assets				
Available for sale investments	335	335	372	372
Trade receivables	3,738	3,738	2,300	2,300
Other receivables and prepayments	3,378	3,378	3,254	3,254
Taxes Recoverable	34	34	34	34
Cash and cash equivalents	<u>1,969</u>	<u>1,969</u>	<u>797</u>	<u>797</u>
	<u>9,454</u>	<u>9,454</u>	<u>6,757</u>	<u>6,757</u>
Financial liabilities				
Employee retirement benefits	32,826	32,826	31,721	31,721
Trade payables	9,585	9,585	9,565	9,565
Other payables	17,252	17,252	12,328	12,328
Related Parties	1,794	1,794	1,595	1,595
Borrowings	35,033	35,033	34,811	34,811
Taxation	2,637	2,637	2,637	2,637
Bank overdraft(secured)	<u>1,412</u>	<u>1,412</u>	<u>2,044</u>	<u>2,044</u>
	<u>100,539</u>	<u>100,539</u>	<u>94,701</u>	<u>94,701</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows.

(a) For available for sale financial assets, the fair values were determined with reference to quoted market prices. Quoted market prices are obtained from independent market valuers using level 1 fair value measurements.

(b) Financial instruments where the carrying amounts are equal to fair value:-Due to their short-term maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair values. These include cash and cash equivalent, trade & other receivables and prepayments, borrowings and trade and other payables, employee