2020 ANNUAL REPORT

Guyana Sugar Corporation Inc.

Contents

CORPORATE INFORMATION

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Chief Executive Officer

AGRICULTURE OPERATIONS

The main focus during the year was to enhance operational efficiencies. This agenda was fostered through the continual improvements in agronomic practices, productivity, drainage and irrigation maintenance, continuation of the development of mechanized field layouts at Albion and re-capitalising the estates' agricultural machinery fleets. Agronomic activities and production on all estates were affected by coronavirus pandemic and post general election issues. It was also adversely affected by declining turnout in the labour force and aged machinery due to lack of capital investment.

Labour Attendance

Estates operations continue to suffer from reduced labour turnout, particularly cane harvesters and this has affected the harvesting rate and the delivery of fresh canes at optimal maturity to the factories with a negative impact on recoveries. The average cane harvesters' attendance for the industry was 58.5% and which is 6% lower than that of 2019 (64.17%).

Field Equipment

The machinery fleet can be considered as aged with the average age per machine being over eight (8) years old with many prime movers being older than fourteen (14) years. As at September, 2020 a field machinery assessment was done of the tillage fleet and it was found that to deliver on the mandate across four (4) Estates, there was a shortage of twenty – seven (27) tillage machines. The age for replacement of these machines is ten (10) years and if they continue to work beyond those years, they may result in frequent failures while spares are difficult to acquire especially with the limited funds. The fleets of machinery, implements and cane punts on the Estates did not allow for maximum utilization of opportunity time or the achievement of work programmes.

Further, as a result of the difficulties with funds availability, the timely procurement of spares and lubricants was affected, which in turn impacted negatively on machine availability. Nevertheless, the field workshops continued to use their initiatives to improvise and re-use components to keep machines operable.

The use of the mechanical harvesting equipment at Albion was limited due to the lack of investment in the road transport trucks to complete the system design. There were very few lorries available from contractors (in numbers and when required) since the rates offered by the Corporation were not competitive.

The limited accomplishment of the tillage programme, particularly at the Albion estate, was in part due to low machine availability and utilisation. The tillage fleet at Albion comprised of sixteen (16) tractors but only ten (10) were operable. Across the three (3) grinding estates (excluding Rose Hall where there were zero operable tillage machines) there should have been thirty (30) operable machines, but only twenty one (21) were fully functional.

Currently, at Albion there are five (5) Buhler Versatile tractors equipped with laser levelling equipment, of which three (3) are operable. The Corporation cashflow did not permit the procurement of the parts for the other two (2) machines which are inoperable as well as improve the performance of the others that are working but at sub-optimal level. It must be noted these machines are over 18 years old and each spare part has to be custom built and which takes a very long time; as such, replacement of these articulated 300hp tractors should be addressed urgently.

The field workshops continue to build on the progress they have made coupled with the training and involvement from Agriculture Services Department (ASD) engineers; however, they continue to lose artisans to the oil and gas sector, and other entities, primarily as a result of the uncompetitive remuneration package at GUYSUCO. All estates have a shortage of tradesmen (mechanics, electricians and welders) which affected the quality and productivity of the operations. The recapitalization of the field machinery fleet is urgently required so as to achieve the Corporation's annual agriculture operations mandate.

The estates have conducted trade tests to upgrade the artisans and operators in the mechanical tillage department and in-house training was also completed on the estates for tillage operators and mechanics; whilst, ASD conducted training for the bell loader operators.

The utilisation of tillage, drain-digging, excavators and bell cane-loaders are significantly below what can be considered as acceptable; as such, greater effort is required from all parties to improve (particularly commitment on the part of the operators) and which may need a review of the remuneration package and consideration for a performance incentive scheme.

Weather

The year 2020 was generally a moderately dry year across the industry when compared to the historical long term mean. The mean annual rainfall across the industry was 1,661 mm, 20% below the established 65 years historical long term mean (ltm).

ESTATE	ANNUAL RAINFALL 2019 (MM)	ANNUAL RAINFALL 2020 (mm)	65YR ANNUAL RAINFALL
Albion	1,239	1,499	**1,734**
Blairmont	1,196	1,544	**1,783**
Uitvlugt	2,959	1,940	**2,684**
Industry Average	**1,798**	**1,661**	**2,067**

Table 1: Annual Rainfall

All estates experienced dryer than normal weather during the primary rainfall season. The months of November and December realized significant totals of 374 and 337 mm of rainfall respectively, above the ltm for the industry.

Land Preparation

In 2020, the Albion, Blairmont and Uitvlugt Estates collectively completely tilled 1,933 hectares (ha) of land which represented a mere 42% of the amount budgeted for the year. This under achievement resulted from coronavirus pandemic, post general election issues and unavailability of adequate machinery.

The estates machinery fleet are aged and unreliable and this resulted in their poor availability and efficient utilisation. Further, the unavailability of funds to purchase spares to repair and acquire replacement machines severely affected the major agriculture programs in the 1st crop and although funds were made available during the 2nd crop; the opportunity time was no longer available. Further, the estates had adequate resources to achieve their infield drainage programmes; however, progress was affected at Albion due to the rate of harvesting in the prime cycle and inaccessibility over main drains resulted from a shortage of materials to construct bridges; whilst, at Blairmont rate of harvesting in the prime cycle was the limiting factor.

The limited labour that is available (shovel-men) is used mainly for re-shaping and grading of drains in plant-cane fields after planting.

Crop Husbandry

Planting and Supplying

The estates completed 2,045 hectares of planting or 42%, which was a notable reduction from the previous year's achievement of 3,116 hectares. The reduced availability of manual planters created difficulties for the estates, hence the shift to alternative methods such as semi-mechanical or fully mechanical planting is necessary and must be adopted with rapidity.

Supplying was concentrated mainly on repairing prime-cycles and was done mostly during the out of crop periods or when the manual planters were not engaged in planting activities.

It must be noted that the volume of supplying required in fields that were semi-mechanically planted continue to be high thereby indicating the need for greater attention to the quality of work with this planting method.

The timely application of both low grade rock phosphate (LGRP) and fertilizers was affected throughout the year by labour shortages, downtime on the mechanical applicators and tractors in use. The mechanical LGRP and fertilizer applicators on all estates are aged and unreliable.

Albion and Blairmont estates in particular have had to focus their available labour on LGRP application during the land preparation periods, at the expense of timely fertilizing of canes. As at December 31, 2020 the Estates had a total of 5,815 hectares of unfertilized canes.

The shortage of labour, particularly on the Berbice estates continues to affect the timely relieving and cleaning of harvested field, further delaying, and in some instance preventing, the application of pre / early post-emergent herbicides.

Chemical Weed Control (CWC)

Chemical Weed Control (CWC) activities were similarly affected by shortages of labour, a situation that is worsening on the Berbice estates; as such, greater use was made of boom-sprayers and the aircraft for herbicide application when conditions were favourable.

However, the single operable aircraft was not functional in the early part of the year due to an air-frame fracture (crack) which took some time to be repaired by a certified technician (COVID 19 travel restriction); while, in the latter part of the year operations were restricted due to cash constraints; as such, some of the aerial programmes were outsourced. The expansion of the 'no fly zones' continue to be a major concern for the Corporation as it significantly limits the aerial application of herbicides and cane ripener.

Agriculture Chemicals

Agriculture chemicals and fertilisers provide nutritional requirements for the sugarcane crop during its early stages of development. In 2020, adjustments were made to the fertilizer regimes, inclusive of splitting the nitrogen applications. This particular strategy was done with the intention of retaining some of the nitrogen to accompany the later application of the potash fertilizer when that would have become available.

The main reason for shortages of agro-chemicals was the unavailability of funds to cover procurement at the time. During 2020, it was also observed that the number of responsive bidders had declined and that prices for some of the main products had increased substantially when compared with previous purchases.

In the first half of 2020, there was inadequate amount of critical agro-chemicals, such as, 2.4-D amine and diuron; while, metribuzin, starane and glyphosate and the entire year was affected by shortages of urea and sulphate of ammonia (SA). With regards to herbicides, starane, igran and metribuzin, was in short supply for the entire second half of the year and ally was short from September to December. The rodenticide, klerat, was in short supply for the month of December.

It should be noted that merlin was replaced by metribuzin and which was not available for the period; whilst, krismat was also phased out during the year.

Harvesting and Sugar Production
The Corporation had a shortfall in its sugar production target for the year 2020 by 16.55% or 17,626 mt. Sugar production for the year was 88,868 mt and which was extracted from 1,217,154 mt of canes. The average cane yield in 2020 was 64.68 against 63.00 in 2019; a slight improvement of 1.68 or 2.67%.

Labour attendance remains a serious concern for management and so considerable efforts have been made to accelerate the mechanisation of key labour intensive activities of the Corporation and which includes areas such as harvesting, planting and hand weeding. The implementation of a system to utilize cane loaders (bell loaders) more effectively is in progress at all locations. Further, contractors were also engaged to assist with harvesting and delivery of canes.

2020 AGRICULTURE STATISTICS				
Field Operations	**Albion**	**Blairmont**	**Uitvlugt**	**Total / Average**
Harvest Area (ha)	9,279	5,368	4,171	**18,818**
Cane (mt)	569,983	382,493	264,678	**1,217,154**
Sugar (mt)	42,205	27,916	18,748	**88,868**
Cane Yield (tc/ha)	61.43	71.26	63.46	**64.68**
Sugar Recovery (tc/ts)	13.51	13.70	14.12	**13.70**
Land Preparation (ha)	898	581	455	**1,934**
Planting (ha)	1,116	491	438	**2,045**
Supplying (ha)	217	608	87	912
Fertilising Outstanding - Plants (ha)	717.80	126.70	47.40	891.90
Fertilising Outstanding - Ratoons (ha)	2,281.70	935.40	342.00	3,559.10
Annual Rainfall (mm)	1,499.00	1,543.70	2,203.10	**1,748.60**
Cane Harvesters Attendance (%)	**58.00**	**52.00**	**65.50**	**58.50**

Table 2: Agriculture Statistics for 2020

Field Management

Rodent Control

The level of rodent damage on all three (3) estates has been reduced through intensive, integrated pest management practices involving damage surveys, hunting, baiting and cultural practices such as circle-burning and better sanitation of surrounding dams. Pre-harvest circle-burning was done in most areas as a proven mean of trapping larger amounts of the pest.

At the end of the year, the average Fresh Stalk Damage (FSD) recorded for each of the three estates ranged between 0.0% and 0.01% and which was well below the economic threshold level of 0.50%. Further, due to the scarcity of designated workers, rodent-control work was intensified during the out-of-crop periods with the aid of cane harvesters.

Activities		AN/PM	BCF	ICBU	Industry
Surveillance	Hectares Surveyed	36,071.30	7,502.80	11,104.10	**54,678.20**
	% FSD Recorded	-	-	0.10	**0.10**
Hunting of Rodents	Hectares Hunted	19,436.90	38,695.50	63,759.70	**121,892.10**
	Total Rats Caught	604.00	2,749.00	42,093.00	**45,446.00**
	Rats Caught / Hectare	-	0.10	0.70	**0.40**
	Man-days Used Hunting	760.00	1,313.00	3,194.00	**5,267.00**
	Rats Caught / Man-day	0.80	2.10	13.20	**8.60**
Baiting of Fields	Total Hectares Baited	11,223.50	16,170.70	32,618.90	**60,013.10**
	Total Baits Used (kg)	2,509.40	4,215.10	4,809.40	**11,533.90**
	KG Bait used / Ha	0.20	0.30	0.10	**0.20**

Table 3: Rodent Control Data

Water Management

The Corporation continues to operate and maintain drainage and irrigation pumps that not only service the estates but also the adjoining farming and residential communities. Currently, the Corporation is executing an agreement with the National Drainage and Irrigation Authority (NDIA) whereby reimbursement amounting to $1.8 billion was provided in 2020 for the operation and maintenance of drainage and irrigation infrastructure inclusive of the Torani Canal which links the Canje Creek with the Berbice River. It must be noted that the occupation of reserves continues to be a major restriction to efficient and effective maintenance of the drainage channels.

Private Sugar Cane Farming

Private sugar cane farmers provided 105,458 mt of cane harvested from 1,586 hectares at an average tonnes cane per hectare (tc/ha) of 66.49 to the Corporation to be ground during 2020 and from which 7,495 mt of sugar was produced at an average tonnes cane per tonnes sugar (tc/ts) of 14.07. Albion private farmers contributed 16,999 mt canes from 232 ha whilst Uitvlugt private farmers contributed 88,459 mt canes from 1,354 ha.

The private cane farmers have experienced several challenges during the year including the declining of available labour force in their cultivation, difficulties in acquiring fertilizers and herbicides amongst others.

It is anticipated that with the deliberate shift in the sales mix to realize higher revenue from the increase in the sale of bagged and packaged sugars whilst reducing bulk sugar sales and which will return a more rewarding rate of payment to farmers. This will hopefully renew the interest in cultivating all remaining lands available to farmers.

Private Farmers Productivity	Albion	Blairmont	Uitvlugt	Total / Average
Harvest Area (ha)	232.00	-	1,354.50	1,586.50
Cane (mt)	16,999.50	-	88,458.80	105,458.30
Sugar (mt)	1,250.90	-	6,244.10	7,495.00
Cane Yield (tc/ha)	73.27	-	65.31	66.47
Sugar Recovery (tc/ts)	13.59	-	14.17	14.07

Table 4: Private Farmers Productivity

AGRICULTURE RESEARCH

Agriculture research continued in 2020 to monitor and provide technical advice to the estates on pests' control, weed management, rodent monitoring, amongst others; while, emphasis continued to be placed on the high quality selection programme which is being run in close cooperation with the high quality programme of the West Indies Sugar Central Sugarcane Breeding Station.

Breeding and Selection

This year the breeding and selection department's crossing programme was contracted due to the late establishment of germplasms fields and approximately ninety (90) varieties selected as parents were vandalized. The selection of parents was based on quality since the main objective was increase productivity of the progenies. The department raised forty seven thousand, six hundred and thirty seven (47,637) seedlings comprising of 1090 D 2018, 7973 D 2019 , 1891 D 2020 and 36683 DB 2018 during this year.

The eleven (11) weeks of crossing has seen the setting up of two hundred and seventy (270) crosses comprising eleven (11) bi-parental, seventy seven (77) high quality (HQ), one hundred and fifty one (151) poly cross and thirty one (31) experimental crosses.

Plant Protection

The main activities of the entomology section of the Plant Protection Unit (PPU) in 2020 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.

There were reports of major outbreaks or severe infestations of major or minor pest species, throughout the year; however the usual seasonal upsurges of some major pest species at endemic locations and/or sections in the cultivations were experienced along with the usual damaging effects.

Biological Control of a Major Sugarcane Pest

The industry's biological control programme for the major stem borer pest species; diatraea spp., continued with further success in the laboratory rearing, field releasing and establishment programme. Rearing and releasing continued at three (3) estate locations and at the central bio-control facilities at LBI.

A total of approximately 4,528,295 cotesia adults were produced in the laboratory from an average 78.4% laboratory parasitism and a male to female ratio of approximately 1:2. Ninety-six percent (96%) of production or 4,337,741 adults were release in the sugarcane eco-system. The year's releases resulted in an average 47.4% field parasitism as revealed from monthly surveys of current and previously released locations in the eco-system.

Uitvlugt reported the highest adult production; however, all estates achieved above 70% laboratory rearing efficiency. Parasitoid; field establishment appears to be at its highest at Uitvlugt (66.8%) and lowest at Albion (44.6%) as can be seen from below table. In comparison to last year's parasitoid production, an increase of one hundred eighty-six thousand, three hundred fifty-nine (186,359) was achieved with an increased field parasitism of 15%, this further proves that the programme continues to improve in controlling this major pest.

Rodent Monitoring & Management

Routine monitoring activities for the major pest species - the sugarcane rat *(holochilus brasiliensis)*; were carried out on all estates and through-out the year there were no reports of major outbreaks or of threatening population resulting in severe damages. The damage levels were below the average 0.5% fresh stalk damage (FSD) for all estates.

However, the usual seasonal upsurges were evident in and around endemic sections and locations on estates, especially on the known rodent endemic estate (Uitvlugt). An average 0.09% fresh stalk damage was revealed from a total of 29,081 running hectares surveyed across the industry.

All locations experienced damages through-out the year with increased activity during rainy seasons. Most of the damages reported were associated with seasonal migrations and on some locations as a result of discontinued harvesting of carry-over canes in the second crop. Strategic, prophylactic baiting was continuously carried out on all estates guided mainly by quantitative fresh stalk damage surveys in young canes and guard-up measures during the crop and high activity seasons to curtail inter and intra-field movements. Baiting was achieved on approximately 9,283 fields (38,988.6 hectares) at an industry average rate of 500 grams per hectare. Hunting activities where and when carried out on Estates resulted in a total of 43,250 rats caught.

Weed Management

The current weed management approach at the Corporation continues to emphasise pre-emergent or early post emergent herbicide applications. The screening of new formulations and combinations, for efficacy and phytotoxicity continued at all estates. The eradication programme at Uitvlugt estate continued in 2020 with itch grass (*rottboellia cochinchinensis*) plants still being found at endemic areas in the cultivation. Uitvlugt estate was requested to conduct surveys for this weed type and they were advised that this problematic weed should be confined within these blocks and eradicated. The monitoring and management of this weed will continue in 2021.

Central Analytical & Environmental Monitoring

The central laboratory conducted twenty eight thousand, six hundred and seventy eight (28,678) analyses on five thousand, five hundred and ninety two (5,592) samples during the year 2020. The majority of these analyses were required for the monitoring of routine operations and research projects carried out by the Corporation's agriculture and factory departments.

FACTORY OPERATIONS

The overall factory performance for 2020 was not as expected and the primary reasons included poor cane quality, inconsistent cane supply, industrial action by employees and temporary suspension during the 1st crop due to the coronavirus pandemic and post general elections issues. The combination of these factors along with the untimely acquisition of essential spares and the in-ability to capitalized critical pieces of equipment affected the factories performance and also contributed significantly to production time loss.

The inconsistent grinding pattern, primarily at Blairmont and Uitvlugt factories led to depletion of bagasse stock and higher consumption of diesel fuel and fire wood.

The Enmore Packaging Plant which was closed in December, 2017 was re-opened in November, 2020 for the packaging of sugar. However, only two out of five packing machines were available, both of which were put into operation to boost production of packaged sugar and subsequently revenue.

An ISO 9001:2015 surveillance audit was done in October, 2020 for Blairmont Estate and Head Office and there was no major non-conformity for consideration. Further, preparations have commenced to have Albion and Uitvlugt factories and Enmore Packaging Plant, ISO 9001 certified in the year 2022.

Production and Performance

Sugar production for the year was 88,868 mt with 42,205 mt, 27,916 mt and 18,747 mt from Albion, Blairmont and Uitvlugt respectively.

The main issues contributing to production time loss at the Albion, Blairmont and Uitvlugt factories were as follows:

- Failure of bagasse, mill inter-carrier and cane carrier chain linkages.
- Failure of bagasse carrier chain linkages.
- De-railing of feeder table chain due to worn components.
- Malfunctioning of the cane carrier control system.
- Shearing of the bull gear shaft in No.1 knife turbine.
- Failures of the No. 3 mill inter carrier gear box.
- Leaking tubes in No. 4 evaporator calandria.
- Failure of cane scale load cell.
- Low steam generation.

MARKETING

The Corporation has intensified its effort to focus on meeting the needs of the local, regional and international markets and even with increased competition in the region from Belize, Jamaica and Barbados; the Corporation remained confident that with its pricing strategy it will remain competitive. During the latter part of 2020 efforts were made to maximize sugar sales through the removal of the quota system.

The domestic market was adequately supplied with both bagged and packaged sugar during the year from Albion, Blairmont and Uitvlugt Estates.

The Marketing Department continued to function in line with the Quality Management System ISO 9001, with great emphasis placed on customer satisfaction.

European Union
The Corporation's sugar exported to the European Union (EU) benefited from duty free access of bulk sugars to the EU, which has been exported to Tate and Lyle Sugars. The reform of the EU sugar regime has created a standardized purchase pattern from Tate & Lyle for raw sugar purchased from the Corporation. As a result, the Corporation continued to suffer from declining income derived from sugar sold into the EU. During 2020, a total of 34,719 mt of raw sugar was exported to the United Kingdom.

USA
The United States (USA) is obligated under the World Trade Organization (WTO), to grant Guyana a duty free tariff rate quota of 12,636 mt of raw value sugar for the Financial Year 2020 which is represented during the period of (1 October 2019 – 30 September 2020). However, for the calendar year 2020, the Corporation was able to export to the USA 18,825 mt of raw sugar, at an average price of US$492.00/mt.

CARICOM and Regional Market
Being a part of the regional trade block Caribbean Community (CARICOM), the Corporation is able to trade its sugars without restrictions inside the block. In 2020, GUYSUCO supplied 8,133 mt of bagged sugar and 1,830 mt of packaged sugar CARICOM member states.

The Corporation during this period saw increased competition from other sugar producing countries within CARICOM in the sale of sugar.

Local Market
Bagged sugar continued to dominate the local market over the years and 2020 was no different. The Corporation sold a total amount of 21,042 mt (bagged - 16,714 mt and packaged - 4,328 mt) to wholesalers, bakeries, food processors, supermarkets and our distributor.

Molasses 2020
Molasses was sold mainly to Demerara Distillers Ltd (DDL) in 2020 and this amounted to 50,034 mt. Also, in 2020 there was an increase in demand for bottled molasses by the local market and approximately 75 cartoons were successfully bottled and sold to customers.

INFORMATION SYSTEMS

The Information System Department (ISD) continued to leverage information technologies to enhance GUYSUCO's core business processes. These initiatives sought to transform the way we work by:

- enhancing data collection, data processing and data analysis
- providing tools for better work coordination, process monitoring and performance analysis.

These should ultimately lead to improved process efficiency (lower cost), more informed management decisions and improved productivity and production.

While there were many successes to report, naturally, mention must be made of the impact of the coronavirus pandemic on the planned work for 2020. Estates visits were substantially reduced during the second and third quarter of the year in particular, as a result of the pandemic. This in turn reduced the thrust to gain adoption of the new work processes.

Nevertheless, the coronavirus pandemic was not as impactful on as the reduced funding available for information technologies. Several of the planned outcomes were dependent on acquisition of technologies that did not materialise; however, ISD continued to self-develop solutions where possible. The major work done in support of the production processes and other areas of GUYSUCO are reported below.

Factory Support

As planned, the Factory Information System, FIS, (a computerised solution developed to automate data collection and processing in the sugar manufacturing process) was integrated into the routine factory operations at Albion Estate from the first crop of 2020. It did not replace the paper-based process but rather used in parallel because the planned investment to strengthen the supporting IT infrastructure and have sufficient spares on hand to deal with equipment failure, did not materialise. Without this investment, the risk of system disruption remained too high.

Nonetheless, the use of the system facilitated system refinement to meet the needs of the factory staff and management, and also verify the reliability of the system. The system proved to be accurate, reliable and beneficial.

Agriculture Support

The 2020 plans for agriculture support centred on acquisition of an "Agriculture Management System" (AMS). However, the funding for this system did not materialise; as such, the focus shifted to upgrading the existing "Field Recording System" (FRS) used by estates to capture their daily agriculture operations, enhancing the Punt Management Application (PMA) and on operationalising the mobile devices based solution developed by ISD (as a proof of concept) to capture the details of work activities in the cultivation.

The FRS was successfully upgraded to modern technologies, each estate's data was consolidated into a single database and the system is now accessible via the Corporation's intranet (subject to being granted access). While the FRS offers only a fraction of the features of the targeted AMS, it nevertheless provided a useful platform for data collection, storage and analysis.

In the case of the PMA, the focus was on:

- ensuring all punts are properly labelled
- all punts are listed in the software
- utilising the system for conducting punt census (accountability of punts)
- creating several new features and reports to better support punt maintenance and management (e.g. feature to account for materials and time used in punt repairs, and reports showing punt utilisation, punt repair frequency, etc.).

Finally, the mobile devices based solution was operationalised and the paper-based process for data collection, report generation and payment preparation for the 17B gang at Albion was discontinued. The intention was to expand this solution to other gangs from the second crop but, here again; lack of funding for the necessary devices curtailed those plans. This will now be done in 2021 (subject to funding) as the solution has already proven to be substantially more efficient and accurate.

Support for other Business Process

Notwithstanding the focus on support for the production processes, ISD continued to make improvements to information systems supporting other business areas, general IT systems and ISD's internal operations. Major achievements during 2020 included the following:

- Operationalisation of a new Fixed Asset module (Oracle Applications) since the previous version was not integrated with the rest of the financial systems hence requiring manual input of depreciation expenses.
- Automation of the posting of payroll expenses to the General Ledger and which was previously a very tedious manual task.
- Expansion of the new junior staff payroll to all estates. This resulted in business rules governing the payment of 'junior staff' to become standardised across the Corporation and many irregular payment practices eliminated.
- Re-installation of network and other IT services to the three (3) shuttered estates namely, Skeldon, Rose Hall and Enmore with plans to be re-opened.
- Upgrade of all the Corporation's servers and its email system.
- Implementation of enhanced IT security measures.
- Updating and testing all disaster preparedness plans.
- Provision of helpdesk support for 2,586 support tickets of which 90% were resolved within three business days.
- Provision of user training for applications supported by ISD (Twenty user sessions).

The achievements above attest to the continued commitment and dedication of the staff of the Information Systems Department towards GUYSUCO. Despite the prevailing pandemic and the lack of funding, the staff still found ways to make meaningful contributions to the efforts to revitalise GUYSUCO.

HUMAN RESOURCES

The Human Resources Department (HRD) continued its role in finding, screening, recruiting, training and administering employee-benefit programs for the Corporation. It is also in charge of ensuring a good work climate and fostering the well-being and productivity of the workforce.

However, the coronavirus pandemic created several challenges during the year 2020 and which included employees having to work on rotation schedule, isolation and quarantining of persons and these affected the Corporation's operations whereby completion of work programs were delayed. Also, during March, 2020; the harvesting program for the 1st crop was paused for two (2) weeks. The table below indicates the various staff movements for the year 2020.

Process	**No. of Persons**
Recruitment (Senior Staff)	13
Recruitment (Contract Employees)	22
Transfer	5
Promotion	18
Departure (Senior Staff)	23

Further details on the various segments of the HRD can be found below.

Training

The Corporation continued to ensure that employees are equipped with all of the necessary knowledge and skills they need to carry out their duties effectively and which will also positively affect the productivity of employees, improve their morale and build their confidence.

Training programs conducted during 2020 can be found in below table.

Topics	**Sessions**	**No. of Participants**
Planning, Organising & Executing Work	3	45
Field Recording System	3	60
Mastering Supervisory Skills / Supervision in HPOs	2	32
Organisational Behaviour	1	17
Motivating Staff	6	85
Hazard Recognition & Control Measures: Risk Assessment	2	24
GuySuCo Code of Ethics & Conduct	1	23
Human Resource Management	1	23
ORACLE	1	12
Food Safety & Quality Assurance	1	18
Topics	**Sessions**	**No. of Participants**
Root Cause Analysis	1	1
Project Management	1	17
Data Analysis	1	2
Conflict Resolution	1	17
Change Management	2	13
Total	**27**	**389**

Occupational Health & Safety

The reporting period saw an increase in the total number of reported accidents compared to the previous year from three hundred and ninety-one (391) to four hundred and eighteen (418) and whilst there were no fatalities, the failure to follow established safe working procedures resulted in a few highly serious injuries.

The Corporation had a Lost Time Accident (LTS) per 100,000 hours frequency of 3.32 for 2020 as compared to 3.1 in 2019 and which meant it was worsened by 7%. Uitvlugt 2.55 was notable and was just off international benchmark (2.5) of similar organisations. The average LT/LTA (or severity rate) of the accidents was also uninspiring, i.e. eighteen (18) days per case or worsened by 12.5 % and ranged from fourteen (14) at Blairmont to twenty-four (24) at Uitvlugt.

There were eleven (11) vehicular accidents with Blairmont registering the highest amounting to eight (8); twenty-nine thousand, seven hundred and seventy-six (29,776) man days were lost; a substantial amount of sick days were issued by private medical practitioners; whilst, hypertension, diabetes and influenza were the leading cause for medical interventions.

Infection prevention and control strategies were adopted using appropriate combinations of engineering and administrative controls, safe work practices, and personal protective equipment (PPE) to safe guard against the coronavirus pandemic and prevent worker exposures.

There was a reduction in the attendance of the medical surveillance programme by 29 %, due primarily to the cancellation of a number of appointments resulting from safe practices implemented such as social distancing, etc. so as to prevent and avoid the spread of the coronavirus.

Nevertheless, the unit was able to deliver on a range of training topics to build competence and create a safer working environment; albeit in most instances the sessions were done online or in small groups. Subjects covered during these training sessions included accident reporting and investigation, managing COVID-19, health & safety committees and permit to work.

Further, twenty-three (23) senior managers across the industry were exposed to training (online) on risk assessment with the purpose of the training being to provide careful examination of what precautions or internal control measures should be in place to reduce the chance of harm from injury, disruption of the business, or damage to equipment or the environment. The course provided a way to analyze and categorize risks based on probability and severity, as well as to apply effective control measures to eliminate or mitigate the risks.

Health Services

The medical department continued to provide efficient and high quality primary medical services to employees and their dependents, pensioners and members of the community during the year 2020 although in limited proportion.

Several challenges were encountered and these included the passing of the Chief Medical Officer in March 2020, a profound shortage of medical officers particularly in the Demerara locations and the coronavirus pandemic; thereby, resulting in reduced clinic visits.

It soon became very clear that COVID-19 will be present for a long time and persons had to adjust to accommodate the many changes that came with the influence of the pandemic: social distancing, wearing of masks and hand washing. Management of the Corporation was instrumental in obtaining the much-needed personal protective equipment (PPE), hand washing stations, sanitizer and cleaning agents required by staff to perform their duties.

The Ogle Diagnostic Center (ODC) attained certification by the Ministry of Health's Department of Standards during 2020 and this achievement was only possible through years of preparatory work by ODC staff members and members of the Safety and Standards Committee.

Finally, despite all the staffing challenges and negativity of COVID-19, the medical department remained active in carrying out its mandate and would have had great collaboration; both internally with other departments and externally with several agencies, particularly the Ministry Of Health during 2020.

Industrial Relations

The Corporation recorded a total of ninety eight (98) strikes resulting in 21,026 mandays loss in 2020; this was 69% higher than 2019 when fifty eight (58) strikes were recorded. The intensity of these strikes, however, has seen a 17% reduction when compared to 2019 where 15,022 mandays were loss across the industry.

The cane harvesters accounted for a total of sixty nine (69) of these strikes with 15,897 mandays loss at 70% and 75% respectively when compared to the total strikes and mandays loss as they continued to demand exorbitant prices for in field obstacles, non-acceptance of work and demand to cut and stack in wet conditions, amongst others.

The Corporation due to its non-affordability did not pay a wages and salaries increase for the unionized categories since 2015. However, the Unions were engaged during February, 2020 with respect to wages and salaries negotiations and the meetings with the Unions resulted in an agreement to pay a 5% increase in wages and salaries and that was implemented on May 1st, 2020 and retroactive to January 1st, 2020. The employees received their retroactive payment during November, 2020. The Corporation's employees were also beneficiaries of the Government of Guyana's G$25,000 one-off bonus paid in December, 2020 for public sector employees.

Guysuco Training Centre – Port Mourant (GTC-PM)

The Guysuco Training Centre – Port Mourant (GTC-PM) remains vital in the training of apprentices in areas such as electrical, fitting and machining, auto electrician, agriculture mechanic, instrument repair mechanic and sugar boiling technology. However, during the year 2020 the provision of services by this center was significantly affected with the limitations imposed as a result of the coronavirus pandemic.

Nevertheless, a limited proportion of training was conducted during the 1st quarter of the year for the first and second year apprentices, trainees from the Guyana Defense Force and the NTPYE programme.

Apprentices were subsequently sent to their respective estates to continue their training and customized training programmes were prepared for them and they continued to be monitored by the staff of center.

REPORT OF THE DIRECTORS

For the year ended 31st December, 2020

The Directors of the Guyana Sugar Corporation Inc. present their report together with the audited financial statements for the year ended 31st December, 2020.

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.

Results and Dividends

The financial results of the Corporation are set out on pages 30 to 74.

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 2. 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 to 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 thirteen (13) non-executive Directors (including the Chairman) and one executive Director (the Chief Executive Officer). 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 ten 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 one (1) Committee with defined terms of reference i.e. the Procurement Committee (formerly the Central Tender Committee) which evaluates all tenders for the supply of materials and services above predetermined levels. Also, established are three (3) Sub-Committees, namely, the Audit and Finance Sub-Committee, the Lands Sub-Committee and the Human Resources Committee (formerly the Remuneration Sub-Committee).

(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.

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 2016 Parmesar Chartered Accountants were the sub-contracted auditors; for the financial years 2017 to 2020, Ram and McRae, Chartered Accountants were the sub-contracted auditors.

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

AUDITOR'S REPORT

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: 80/2023 21 March 2023

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF GUYANA SUGAR CORPORATION INCORPORATED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclaimer Opinion

Chartered Accountants Ram & McRae Chartered Accountants have audited on my behalf the consolidated financial statements of the Guyana Sugar Corporation Incorporated, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 – 40.

I do not express an opinion on the consolidated financial statements of the Guyana Sugar Corporation Incorporated. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer Opinion

Included in receivables and prepayments is an amount of $1.707 billion as a receivable from the Guyana Power and Light Inc. (GPL). The GPL is disputing this balance which arose for the period 2007 to 2017.

Included in payables and accruals are amounts received from National Industrial and Commercial Investments Limited (NICIL) during the period March 2015 to May 2015 amounting to $4.105 billion and amounts received from Central Housing and Planning Authority totaling $10.523 billion as Land Sales Deposit during the period February 2010 to September 2017.

No adequate and reliable documentation has been maintained for these amounts and I cannot substantiate the nature of the payments and hence their proper accounting treatment and disclosure.

Included in the current liabilities is the amount of $4.025 billion as taxation payable. The Corporation has not discharged its statutory obligation to the Guyana Revenue Authority (GRA) for the filing of tax returns and the payment of taxes, including Value- Added Tax, Employees' Income Tax, Withholding Tax and Property Tax. The Corporation has also failed to meet its commitment agreed in 2018 to discharge its then outstanding tax liability over a period of years (2011-2018). The Corporation has also requested a waiver of penalties and interest arising from this liability. The GRA has not formally responded to this request. Exclusive of penalties and interest payable under the tax laws, the amount owing to the GRA at the financial position date amounted to $4.958 billion at the reporting date. The directors are of the opinion that the Corporation will not be assessed for any penalties and interest.

I draw attention to the consolidated statement of financial position which indicates the Corporation has accumulated deficit of $118.806 billion as at 31 December 2020. The validity of the going concern basis on which the consolidated financial statements are prepared is dependent on the continued support from the State, including the Central Government and NICIL which has provided $25.236 billion in financial support over the period 2015 to 2020. Should the Corporation be unable to continue in operational existence, adjustments would have to be made to bring the 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 and liabilities as current assets and liabilities.

Included in other payables and accruals is an amount of $11.470 billion received from the NICIL SPU during the period July to December 2020. I have not been provided with any documentation to indicate the nature, accounting and presentation of this amount.

Included in inventory is an amount of $985.4M stated as Inter-Org receivable representing an unreconciled balance on Inter- Estate Transfer of inventory. No reconciliation of this amount was available for audit.

Included under non- current liabilities is an amount of $18.199 billion stated as deferred tax liability. This amount arose on a revaluation of the Corporation's assets in 2008 and represented the potential capital gains tax which would arise on the disposal of those assets within 25 years. The assets of three Estates, including Land, Building, Plant and Machinery and Vehicles were disposed in 2017 by way of a Vesting Order issued by the Government of Guyana. No adjustment was made to deferred tax liability in the financial statements.

As a result of these matters, I was unable to determine whether any adjustments might have been found necessary in respect of other receivables, other payables and accruals, borrowings, deferred tax liability and the overall assets and liabilities of the Corporation and their consequential impact on consolidated statement of comprehensive income.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most importance in my audit of financial statements for the year ended 31 December 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of Defined Benefit Liability- Employee Retirement Benefits

The Corporation has accrued a defined benefit liability of $19.349 billion at the year end. This is considered to be a key item since assumptions that underpin the valuation of the defined benefit pension liability are important and also involve subjective judgements and the deficit balance is volatile and affects the Corporation's distributable reserves. Management has employed an actuarial specialist in order to calculate this balance and uncertainty arises as a result of estimates made based on the Corporation's expectations about long- term trends and market conditions.

How My Audit Addressed the Key Audit Matters

During 2017 audit I reviewed the actuarial report for the year ended 31 December 2018 and ensured that the information was presented and disclosed in accordance with IAS 19. I also obtained an understanding of the methodology and assumptions used by the actuary and assessed whether these were consistent with prior years and my understanding of the Corporation. I also reviewed the source data used by the Corporation's actuary and performed tests to ascertain the completeness and accuracy of the information therein.

Valuation of written down value of assets for wear and tear purposes.

The 2018, the Wear and Tear Schedule for that year showed an opening tax written down value of assets at $13.743 billion but the disposal for the year is shown as a tax written down value of $27.851 billion. After allowing for wear and tear for the current year, the tax written down value of the assets shows a negative of $16.130 billion. While there are no immediate tax implications given that the Corporation has been recording substantial losses, the written down value of the wear and tear schedule be reviewed and corrected as it is probable that it would be critical to a final resolution of all tax matters with the GRA.

How My Audit Addressed the Key Audit Matters

It was intended that this matter would be addressed in 2019. That exercise is ongoing.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to conduct an audit of the Corporation's financial statements in accordance with International Standards on Auditing (ISA) and to issue an auditor's report. However, because of the matters described in the Basis of Disclaimer Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN

Ram & McRae
Chartered Accountants
Professional Services Firm

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CONTRACTED AUDITOR'S REPORT
TO THE MEMBERS OF THE GUYANA SUGAR CORPORATION ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

We have audited the financial statements of Guyana Sugar Corporation which comprise of the statement of financial position as at December 31 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Disclaimer of Opinion

We do not express an opinion on the accompanying financial statements of the Corporation. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to satisfy ourselves of the correctness of significant items in the financial statements as a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Included in Receivables and Prepayments is an amount of $1,707,132,136 as a receivable from the Guyana Power and Light Inc.(GPL). The GPL is disputing this balance which arose for the period 2007 to 2017.

2. Included in Payables and Accruals are:

i) Amounts received from the National Industrial and Commercial Investments Limited (NICIL) during the period March 2015 to May 2015 amounting to $4,105 Mn.

ii) Amounts received from the Central Housing and Planning Authority totaling $10,523 Mn. as Land Sales Deposit during the period February 2010 to September 2017.

No adequate and reliable documentation has been maintained for these amounts and we cannot substantiate the nature of the payments and hence their proper accounting treatment and disclosure.

3. Included in the Current Liabilities is the amount of $4,025 Mn. as taxation payable. The Corporation has not discharged its statutory obligation to the Guyana Revenue Authority (GRA) for the filing of tax returns and the payment of taxes, including Value-Added Tax, Employees' income tax, withholding tax and Property Tax. The Corporation has also failed to meet its commitment agreed in 2018 to discharge its then outstanding tax liability over a period of years (2011 – 2018). The Corporation had also requested a waiver of penalties and interest arising from this liability. The GRA has not formally responded to this request. Exclusive of penalties and interest payable under the tax laws, the amount owing to the GRA at the balance

sheet date amounted to $4,958Mn at the reporting date. The directors are of the opinion that the Corporation will not be assessed for any penalties and interest.

4. We draw attention to the Consolidated Statement of Financial Position which indicates that the Corporation has accumulated deficit of $118,806 Mn. as at December 31, 2020. The validity of the going concern basis on which the consolidated financial statements are prepared is dependent on the continued support from the State, including the Central Government and NICIL which has provided $25,236 Mn in financial support over the period 2015 to 2020. Should the Corporation be unable to continue in operational existence, adjustments would have to be made to bring the 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 and liabilities as current assets and liabilities.

5. Included in Other Payables and Accruals is an amount of $11,470 Mn. received from the NICIL SPU during the period July to December 2020. We have not been provided with any documentation to indicate the nature, accounting and presentation of this amount.

6. Included in Inventory is an amount of $985.4 Mn stated as Inter-Org Receivable representing an unreconciled balance on Inter-Estate Transfers of Inventory. No reconciliation of this amount was available for audit.

7. Included under Non-current Liabilities is an amount of $18,199 Mn stated as Deferred Tax Liability. This amount arose on a revaluation of the Corporation's assets in 2008 and represented the potential capital gains tax which would arise on the disposal of those assets within 25 years. The assets of three Estates, including Land, Buildings, Plant and Machinery and Vehicles were disposed in 2017 by way of a Vesting Order issued by the Government of Guyana. No adjustment was made to Deferred Tax Liability in the financial statements.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of Other Receivables, Other Payables and Accruals, Borrowings, Deferred Tax Liability and the overall assets and liabilities of the Corporation and their consequential impact on Consolidated Statement of Comprehensive Income.

Other Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most importance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How Our Audit Addressed The Key Audit Matters
Valuation of Defined Benefit Liability – Employee Retirement Benefits The Corporation has accrued a defined benefit liability of $19,349 Mn at the year end. This is considered to be a key item since assumptions that underpin the valuation of the defined benefit pension liability are important and also involve subjective judgments and the deficit balance is volatile and affects the Corporation's distributable reserves. Management has employed an actuarial specialist in order to calculate this balance and uncertainty arises as a result of estimates made based on the Corporation's expectations about long-term trends and market conditions.	During the 2017 audit we reviewed the actuarial report for the year ended December 31, 2018 and ensured that the information was presented and disclosed in accordance with IAS 19. We also obtained an understanding of the methodology and assumptions used by the actuary and assessed whether these were consistent with prior years and our understanding of the Corporation. We also reviewed the source data used by the Corporation's actuary and performed tests to ascertain the completeness and accuracy of the information therein.
Valuation of written down value of assets for wear and tear purposes. In 2018, the Wear and Tear Schedule for that year showed an opening tax written down value of assets at $13,743Mn but the disposal for the year is shown as a tax written down value of $27,851Mn. After allowing for wear and tear for the current year, the tax written down value of the assets shows a negative of $16,130Mn. While there are no immediate tax implications given that the Corporation has been recording substantial losses, the written down value of the wear and tear schedule should be reviewed and corrected as it is probable that it would be critical to a final resolution of all tax matters with the Guyana Revenue Authority (GRA).	It was intended that this matter would be addressed in 2019. That exercise is ongoing.

Responsibilities of those charge with governance for the financial statements

The directors/management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors/ management are responsible for overseeing the Corporation's financial reporting process.

In preparing these financial statements, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ram & McRae

Ram & McRae
Chartered Accountants
Professional Services Firm
157 'C' Waterloo Street,
Georgetown

March 21, 2023

AUDITED FINANCIALS

GUYANA SUGAR CORPORATION INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	NOTES	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
ASSETS					
Non current assets					
Property, plant and equipment	5	29,522	28,583	29,522	28,583
Investments	7.1	1,203	1,128	1,203	1,128
Total non current assets		30,725	29,711	30,725	29,711
Current assets					
Inventories	8.1	1,850	1,045	1,850	1,045
Standing cane	8.2	2,074	1,708	2,074	1,708
Product stock	8.3	533	1,266	533	1,266
Trade receivables		500	1,760	500	1,760
Other receivables		2,841	589	2,841	589
Prepayments		488	287	488	287
Related parties	14.1	0	383	-	-
Cash on hand and at bank	9.1	2,886	(27)	2,886	(27)
Total current assets		11,173	7,011	11,173	6,628
TOTAL ASSETS		41,898	36,723	41,898	36,339
EQUITY AND LIABILITIES					
Shareholder's equity					
Stated capital	10	10,800	10,800	10,800	10,800
Revaluation reserve	11.1	13,503	13,503	13,503	13,503
Other reserves	11.2	5,036	4,939	5,036	4,939
Accumulated deficit		(118,806)	(112,372)	(118,806)	(112,482)
		(89,468)	(83,131)	(89,468)	(83,241)
Non controlling interest	7.3	-	-	-	(76)
Total equity		(89,468)	(83,131)	(89,468)	(83,317)
Non current liabilities					
Deferred tax liability	6	18,199	18,199	18,199	18,203
Borrowings	12.2	17,240	15,175	17,240	15,175
Employees retirement benefits	15	19,349	18,764	19,349	18,764
Total non-current liabilities		54,788	52,138	54,788	52,141
Current liabilities					
Trade payables		9,560	8,312	9,560	8,110
Other payables and accruals	16.2	45,714	34,318	45,714	34,318
Related parties	14.1	2,166	2,116	2,166	2,116
Taxation		4,025	4,025	4,025	4,025
Borrowings	12.1	15,146	17,232	15,146	17,232
Bank overdraft(secured)	9.2	(33)	1,713	(33)	1,713
Total current liabilities		76,578	67,716	76,578	67,514
TOTAL EQUITY AND LIABILITIES		41,898	36,723	41,898	36,339

The Board of Directors approved these financial statements for issue on ....

20/3/2023

Director

Director

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

GUYANA SUGAR CORPORATION INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT DECEMBER 31, 2020

	NOTES	COMPANY 2020	COMPANY 2019	GROUP 2020	GROUP 2019
		$M	$M	$M	$M
Revenue	16	9,967	9,371	9,967	9,371
Cost of sales		11,225	10,013	11,225	10,013
Gross loss		(1,258)	(643)	(1,258)	(643)
Other income		1,558	4,016	1,558	4,016
Administrative expenses		(3,175)	(3,557)	(3,175)	(3,557)
Other gains and losses		-	(1)	-	(1)
Marketing and distribution expenses		(729)	(606)	(729)	(606)
Reopening Estates	16.1	(602)	(1,606)	(602)	(1,606)
Prior year adjustment to other reserves	11.2	-	-	-	-
Operating loss		(4,207)	(2,397)	(4,207)	(2,397)
Finance cost		(1,655)	(1,625)	(1,655)	(1,625)
Employees retirement benefits	15	(585)	149	(585)	149
Income from subsidiary and others		13	16	13	16
Loss before tax	17	(6,434)	(3,857)	(6,434)	(3,857)
Taxation	18	-	-	-	-
Loss for the year		(6,434)	(3,857)	(6,434)	(3,857)
Other Comprehensive income:					
Net (loss)/gain on revaluation of investments		75	383	75	405
Net loss on revaluation of non-current asset		-	-	-	-
Other comprehensive income net of tax		75	383	75	405
Total comprehensive loss for the year		(6,359)	(3,474)	(6,359)	(3,452)
Profit for the year					
Attributable to:-					
Equity holders of the parent		(6,434)	(3,857)	(6,434)	(3,857)
Non controlling interest		-	-	-	-
		(6,434)	(3,857)	(6,434)	(3,857)
Total comprehensive loss for the year					
Attributable to:					
Equity holders of the parent		(6,359)	(3,474)	(6,359)	(3,452)
Non controlling interest	7.3	-	-	-	-
Loss for the year		(6,359)	(3,474)	(6,359)	(3,452)
Basic loss per share in dollars	24	(0.59)	(0.32)	(0.59)	(0.32)

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

GUYANA SUGAR CORPORATION INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT DECEMBER 31, 2020

Company

	Notes	Stated Capital $M	Revaluation Reserve $M	Other Reserves $M	Retained Earnings $M	Total Equity $M
Balance at January 1, 2019		10,800	13,503	4,556	(108,899)	(80,043)
Other comprehensive income		-	-	383		383
Prior year adjustment to other reserves			-	-	-	-
Revaluation Adjustment			-			-
Loss for the year		-	-	-	(3,474)	(3,474)
						-
Total comprehensive income for the year		-	-	383	(3,474)	(3,091)
Balance as at December 31, 2019		10,800	13,503	4,939	(112,372)	(83,131)
Other comprehensive income		-	-	75		75
Prior year adjustment to other reserves			-	22	-	22
Loss/Profit for the year		-	-	-	(6,434)	(6,434)
Total comprehensive income for the year		-	-	97	(6,434)	(6,337)
Balance at December 2020		10,800	13,503	5,036	(118,806)	(89,468)

Group

	Attributable to equity holders of the parent					
	Stated Capital $M	Revaluation Reserve $M	Other Reserves $M	Retained Earnings $M	Non Controlling Interest $M	Total Equity $M
Balance at January 1, 2019	10,800	13,503	4,556	(109,032)	(76)	(80,249)
						-
Other comprehensive income	-	-	383	-	-	383
Prior year adjustment to other reserves			-			-
					-	-
Profit/Loss for the year	-	-	-	(3,452)	-	(3,452)
Total comprehensive income for the year	-	-	383	(3,452)	-	(3,069)
Balance as at December 31, 2019	10,800	13,503	4,939	(112,482)	(76)	(83,318)
Other comprehensive income	-	-	75	-	-	75
Prior year adjustment to other reserves			22			22
Profit/Loss for the year	-	-	-	(6,434)	-	(6,434)
Total comprehensive income for the year	-	-	97	(6,434)	-	(6,337)
Balance as at December 31, 2020	10,800	13,503	5,036	(118,916)	(76)	(89,656)

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

GUYANA SUGAR CORPORATION INC.

CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT DECEMBER 31, 2020

	COMPANY		GROUP	
	2020 $M	2019 $M	2020 $M	2019 $M
OPERATING ACTIVITIES				
Loss before Tax	(6,434)	(3,857)	(6,434)	(3,857)
Adjustments for:				
Depreciation and write down of assets	414	380	414	380
Loss on disposal of property, plant and equipment	2	1	2	1
Net interest	1,655	1,625	1,655	1,625
Income from subsidiary and others	(13)	(16)	(13)	(16)
Operating profit/(loss) before working capital changes	(4,375)	(1,866)	(4,376)	(1,867)
Increase/(Decrease) in inventories	(805)	378	(805)	378
Decrease/(Increase) in standing cane	(366)	(172)	(366)	(173)
Decrease/(Increase) in product stocks	733	(411)	733	(411)
Increase/(Decrease) in accounts receivable,prepayments	(1,193)	3,384	(1,193)	3,384
Increase/(decrease) in amounts due from related parties	383	(18)	-	-
Increase in accounts payable and accruals	5,781	1,669	12,846	1,631
Increase/(decrease) in amounts due to related parties	50	65	50	65
Increase in defined benefit pension liability	585	(149)	585	(149)
Cash generated from operations	793	2,879	7,475	2,859
Interest paid	(1,655)	(1,625)	(1,655)	(1,625)
Taxes paid/adjusted	-	-	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(861)	1,254	5,820	1,234
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	420	(76)	420	(76)
Proceeds from sale of property, plant and equipment	-	-	-	-
Dividends received from investments	4	4	4	4
NET CASH USED IN INVESTING ACTIVITIES	424	(72)	424	(72)
FINANCING ACTIVITIES				
Proceeds from Borrowing	-	8,641	-	8,641
Proceeds from NICIL/SPU	2,050	5,362	2,050	5,362
Loan Repayments	(20)	-	(20)	-
Proceeds from Government (Reopening Estates)	3,000	-	3,000	(2,287)
NET CASH PROVIDED BY FINANCING ACTIVITIES	5,030	14,003	5,030	11,716
Increase/(decrease) in cash and cash equivalents	4,593	(1,081)	(831)	(1,081)
Cash and cash equivalents at beginning of the period	(1,740)	(659)	(1,740)	(659)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,853	(1,740)	(2,571)	(1,740)
CASH AND CASH EQUIVALENT COMPRISED OF:-				
Cash on hand and at bank	2,886	(27)	2,886	(27)
Bank overdraft(secured)	(33)	(1,713)	33	(1,713)
	2,853	(1,740)	2,919	(1,740)

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

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. This investment was completely written off in 2019 due to the company being dormant for more than 5 years.

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

IFRS 9 was issued in November 2009 and is required to be applied from 1 January 2013. The Company has not opted for early adoption. This standard specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified in their entirety on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are to be initially measured at fair value plus, in the case of a financial asset not at fair value through profit and loss, particular transaction costs. Subsequently, financial assets are to be measured either at amortised cost or fair value. When adopted, IFRS 9 will be applied retrospectively in accordance with IAS 8.

Additionally 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.

IAS 19 Employees Benefits (amendment) (effective January 1, 2019)

IAS 27 Separate Financial Statements (amendments) (effective January 1, 2016)

IFRS 9 Financial Instruments (effective January 1, 2020)

IFRS 10 Consolidated Financial Statements (amendments) (effective January 1, 2016)

IFRS 11 Joint Arrangements (amendments) (effective January 1, 2016)

2 NEW AND REVISED STANDARDS (Cont'd)

IFRS 12 Disclosure of Interests in Other Entities (amendments) (effective January 1, 2017)

IFRS 13 Fair Value Measurement (effective January 1, 2014)

IFRS 16 Leases (effective from January 1, 2019.)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective January 1, 2013)

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.

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 18,975 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

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.

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, 2020

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.

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.

5. PROPERTY, PLANT & EQUIPMENT

5.1 COMPANY

Cost/valuation	Intangibles	Land	Buildings others	Freehold Buildings wooden	Land expansion cost	Plant, machinery and equipment	Work in progress	Total
	$M	$M	$M	$M	$M	$M	$M	$M
As at Jan 01, 2020	189	21,203	6,745	1,126	1,490	19,497	986	51,237
Transfers	-	-	4	1	127	381	(513)	0
Additions						60	360	421
Interestate Transfers						-		0
Disposals			-	-		0	-	0
Adjustments			4	10		266	978	1,258
Reclassifications	-	-				0		0
As at December 31, 2020	189	21,203	6,753	1,137	1,617	20,204	1,811	52,915
Comprising:								
Cost	189	(15,990)	(3,682)	1,137	1,617	16,983	1,811	2,065
Valuation		37,193	10,435		-	3,221	-	50,849
	189	21,203	6,753	1,137	1,617	20,204	1,811	52,915
Depreciation								
As at Jan 01, 2020	2	-	2,663	627	828	18,534	-	22,654
Charge for the period	1	0	108	34	80	191	0	414
Interestate Transfers	0	0	0	0	0	0	0	0
Prior year adjustment	175	0	56	11	(5)	88	0	325
As at December 31, 2020	178	-	2,827	672	903	18,813	-	23,393
Net book value								
As at December 31, 2020	11	21,203	3,926	465	714	1,391	1,811	29,523
As at Jan 01, 2020	187	21,203	4,082	499	662	963	987	28,584

5.2 GROUP

Cost or valuation	Intangibles	Land	Buildings others	Buildings wooden	Land expansion cost	Plant, machinery and equipment	Work in progress	Total
	$M	$M	$M	$M	$M	$M	$M	$M
As at Jan 01, 2020	189	21,203	6,745	1,126	1,490	19,497	986	51,237
Transfers	-	-	4	1	127	381	(513)	0
Additions						60	360	420
Interestate Transfers						-		0
Disposals			-	-		0	-	0
Adjustments			4	10		266	977	1,257
Reclassifications	-	-				0		0
As at December 31, 2020	189	21,203	6,753	1,137	1,617	20,204	1,811	52,914
Comprising:								
Cost	189	(15,990)	(3,682)	1,137	1,617	16,983	1,811	2,065
Valuation	0	37,193	10,435	0	0	3,221	0	50,849
	189	21,203	6,753	1,137	1,617	20,204	1,811	52,914
As at Jan 01, 2020	1	0	2,663	627	830	18,534	0	22,655
Charge for the period	1	0	108	34	80	388	0	611
Written back on disposals	0	0	0	0	0	(196)	0	(196)
Prior year adjustment	176	0	57	11	(7)	87	0	324
Interestate Transfers	0	0	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0	0	0
As at December 31, 2020	178	0	2,828	672	903	18,813	0	23,394
Net book value								
As at December 31, 2020	12	21,203	3,925	465	714	1,391	1,811	29,523
As at Jan 01, 2020	188	21,203	4,082	499	660	963	987	28,583

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

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:

	Hectares
Unexpired leases	4,831
Unexpired Licences	13,107
Expired leases	2,583
Expired permissions	990
During the President's pleasure licenses	13,096
During the President's pleasure permissions	59
	34,666

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	5.0
From January 01, 1985 to May 31, 1998	18.5
From June 01, 1998	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.

6. DEFERRED TAX

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

	COMPANY		GROUP	
	2020	2019	2020	2019
	$M	$M	$M	$M
Deferred tax liability				
Property, plant and equipment	14,965	14,965	14,970	14,970
Standing cane	3,233	3,233	3,233	3,233
	18,198	**18,198**	**18,203**	**18,203**

Movement in temporary differences

	COMPANY		
	Balance at Jan 01, 2020	Recognised in Income	Balance at Dec 31, 2019
Deferred tax liability			
Property, plant and equipment	14,965	-	14,965
Standing cane	3,233	-	3,233
	18,198	**-**	**18,198**

Movement in temporary differences

	GROUP		
	Balance at Jan 01, 2020	Recognised in Income	Balance at Dec 31, 2019
Deferred tax liability			
Property, plant and equipment	14,970	-	14,970
Standing cane	3,233	-	3,233
	18,203	**-**	**18,203**

7. INVESTMENTS

7.1 Investments

	COMPANY		GROUP	
	2020	2019	2020	2019
Available for sale:	$M	$M	$M	$M
Republic Bank Limited	1,200	1,125	1,200	1,125
Sagicor	3	3	3	3
	1,203	1,128	1,203	1,128

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

COMPANY

7.2 Non controlling interest

	GROUP	
	2020	2019
	$M	$M
		-
At January 1	-	-
Share of loss	-	-
At December 31	-	-

8. CURRENT ASSETS

8.1 Inventory categories

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Fuel	71	55	71	55
Spares	1,785	1,035	1,785	1,035
Fertilizers and chemicals	452	947	452	947
Other	260	104	260	104
Gross Inventories	2,568	2,141	2,568	2,141
Less collectively assessed provision for slow moving and obsolete items	(718)	(718)	(718)	(718)
Net Inventories	1,850	1,423	1,850	1,423

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 (2019 - $1,200M).

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

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Balance as at January 01	1,707	1,535	1,707	1,535
Adjustment to cost of sales	366	173	366	173
Balance as at Dec 31	2,074	1,707	2,074	1,707

Standing Cane by Age

Age of Cane	COMPANY 2020 Hectares	COMPANY 2019 Hectares	GROUP 2020 Hectares	GROUP 2019 Hectares	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
1-5 Months	9,166	9,322	9,166	9,322	-	-	-	-
6 Months	186	842	186	842	5	25	5	25
7 Months	883	1,363	883	1,363	57	91	57	91
8 Months	1,326	1,353	1,326	1,353	147	156	147	156
9 Months	1,247	1,786	1,247	1,786	288	427	288	427
10 Months	2,029	947	2,029	947	699	337	699	337
11 Months	907	898	907	898	359	366	359	366
12 Months	1,231	698	1,231	698	520	306	520	306
	16,976	17,210	16,976	17,210	2,074	1,707	2,074	1,707
					$	$	$	$
Farmers' price per tonne of sugar					57,834	57,832	57,834	57,832

COMPANY

	Farmers' Prices	Tones Sugar (TS) Values	Standing Cane Value (Farmers Price@TS Values)
2019	57,832	29,531	1,707,817,359
2020	57,834	35,866	2,074,254,767
			366,437,408

The value of standing cane increased by 35% due to increased tonnes sugar value derived from standing cane.
Standing cane relates for the three sugar estates were valued.

8.3 Product stock categories

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Sugar	195	1,152	195	1,152
Molasses	326	102	326	102
Livestock	12	12	12	12
	533	1,266	533	1,266

9. CASH AND CASH EQUIVALENTS

9.1 Cash on hand and at bank

	COMPANY 2020	COMPANY 2019	GROUP 2020	GROUP 2019
GYD Dollar	2,786	(30)	2,786	(30)
US Dollar (Current a/c)	100	3	100	3
GBP	-	0	-	0
Euro	-	-	-	-
	2,886	(27)	2,886	(27)

9. CASH AND CASH EQUIVALENTS (cont'd)

9.2 Bank overdraft (secured)

	COMPANY		GROUP	
	2020 $M	2019 $M	2020 $M	2019 $M
Guyana Dollar(a)	(33)	(1,713)	(33)	1,713
(a) These comprised of:-		-		
(i) Guyana Bank for Trade and Industry Limited	-	-	-	-
(ii) Republic Bank Guyana Limited	-	(1,447)	-	(1,447)
(iii) Demerara Bank Limited	(33)	(266)	(33)	(266)
(iv) Bank of Nova Scotia	-	-	-	-
(v) DBL Premium Money Market Account	-	-	-	-
	(33)	(1,715)	(33)	(1,715)

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 Ressouvenir and Plantation Success both of East Coast Demerara.

(b) Interest rates are as follows:-

	GROUP	
	2020	2019
Guyana Bank for Trade and Industry Limited	9%	9%
Republic Bank Guyana Limited	8%	8%
Demerara Bank Limited	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

11.1 Revaluation reserve

	COMPANY		GROUP	
	2020 $M	2019 $M	2020 $M	2019 $M
Revaluation of fixed assets	13,503	13,503	13,503	13,503

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	
	2020 $M	2019 $M	2020 $M	2019 $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	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	1,179	1,104	1,179	1,104
5. The conversion of loan received from the Government of Guyana in 2015 to Equity for the Guyana Sugar Corporation In.	3,812	3,812	3,812	3,812
	5,036	4,961	5,036	4,961

12 BORROWINGS

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
12.1 Current				
a) Government of Guyana Drainage and Irrigation financed by CDB	244	293	244	293
b) Consortium of local banks	961	981	961	981
c) Government of Guyana Debenture	144	144	144	144
d) Government of Guyana SSMP	6,433	7,351	6,433	7,351
e) Government of Guyana SSMP financed by CDB	1,978	2,308	1,978	2,308
f) Government of Guyana SSMP financed by EXIM Bank	5,373	6,141	5,373	6,141
g) Guyana Rice Development (Seed Paddy Project loan)	13	13	13	13
Total current loans	15,146	17,231	15,146	17,231

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
12.2 Non Current				
a) Government of Guyana Drainage and Irrigation financed by CD 0.705669 829	585	537	585	537
b) Government of Guyana SSMP	9,189	8,270	9,189	8,270
c) Government of Guyana SSMP financed by CDB	3,627	3,298	3,627	3,298
d) Government of Guyana SSMP financed by EXIM Bank	3,839	3,070	3,839	3,070
Total non- current loans	17,240	15,175	17,240	15,175
Repayments due in one year and included in current liabilities	15,146	17,231	15,146	17,231
Repayment due within 2-5 years	2,826	2,826	2,826	2,826
Repayment due after five years	14,414	12,349	14,414	12,349
	17,240	15,175	17,240	15,175

12.3 Interest on Non Current Borrowings

Interest Accrued on Non Current Borrowings	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
a) Government of Guyana Drainage and Irrigation financed by CDB	264	239	264	239
b) Government of Guyana SSMP	10,082	9,166	10,082	9,166
c) Government of Guyana SSMP financed by CDB	2,596	2,348	2,596	2,348
d) Government of Guyana SSMP financed by EXIM Bank	4,429	4,020	4429.08005	4019.539925
Total Interest Accrued	17,371	15,773	17,371	15,773

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$56M 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
0

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 wasd ue 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
This is a short term line of credit as part of a consortium lending arrangement by participating Licensed Financial Institutions of Guyana totaling G$1,158M.

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.

g) Guyana Rice Development Board (GRDB) loan
This loan was received from the GRDB in 2017 to assist with the cost attached to the rice farming/ seed paddy project at Wales Estate. The loan will be offset against revenue received from sales of the seed paddy.

14. RELATED PARTIES

14.1 Amounts due to related parties	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Government of Guyana - Lease rentals	567	536	567	536
Sugar Industry Labour Welfare Fund	1,599	1,580	1,599	1,580
	2,166	2,116	2,166	2,116

14.1 Amount due from related party	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Lochaber	-	383	-	-

Total rent payable for the lease lands to the Government of Guyana was $567M(2019 - $536M).

14.2 Related parties transactions

14.2.1 Key Management Personnel

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

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Short term employee benefit	125	125	125	125

14.2.2 Directors' fees and expenses

	COMPANY				GROUP			
	2020		2019		2020		2019	
	Fees $000	Expenses $000	Fees $000	Expenses $000	Fees $000	Expenses $000	Fees $000	Expenses $000
Directors								
Mr. John Dow	469	-	665	-	469	-	665	-
Mr. Ramesh Persaud	132	-	281	-	132	-	281	-
Mr. Claude Housty	233	-	355	-	233	-	355	-
Mr. Roy Hanoman Singh	295	-	331	-	295	-	331	-
Mr. Paul Cheong	60	-	122	-	60	-	122	-
Mr. Nowrang Persaud	221	-	355	-	221	-	355	-
Mr. Fritz McLean	221	-	355	-	221	-	355	-
Mr. John Browman	221	-	367	-	221	-	367	-
Mr. Richard Nigel Cumberbatch	245	-	403	-	245	-	403	-
Mr. Vishu Panday	221	-	355	-	221	-	355	-
Mr. Pravinchandra Dave	128	-	-		128	-	-	-
Mr. George Jervis	221	-	294		221	-	294	-
Mr. Anthony Joseph Veira	108	-	-		108	-	-	-
Mr. Tarachand Balgobin	120	-	-		120	-	-	-
Ms. Shaleeza Shaw	96	-	-		96	-	-	-
Ms. Shameera Evans	96		-		96	-	-	-
Mr. Mohamad Raffik	96		-		96	-	-	-
Mr. Desmond Sears	96		-		96	-	-	-
Mr. Jairam Petam	108		-		108	-	-	-
Ms. Delma Nedd	61		-		61	-	-	-
Mr. Aslim Singh	108				108			
	3,556	-	3,879	-	3,556	-	3,879	-

Directors' fees comprise those amounts paid to or on behalf of directors in respect of services as directors.

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 2020 by Becon 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 2020 using the Projected Unit Credit Method.

	2020				2019			
	- 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	12,554	22,377	35,505	574	12,886	19,843	33,303
Fair value of assets	0	(15,307)		(15,307)		(14,539)		(14,539)
(Surplus)/Deficit	574	(2,753)	22,377	20,198	574	(1,654)	19,843	18,764
Effect of Asset Ceiling		0	0			0	0	
Net defined benefit liability/(Asset)	574	(2,753)	22,377	20,198	574	(1,654)	19,843	18,764
15.2 Reconciliation of opening and closing defined benefit liability								
Opening Defined Benefit Liability/(Asset)	574	(1,654)	19,843	18,190	574	(829)	19,166	18,912
Net Pension Cost	0	199	1,674	1,873		249	1,612	1,861
Re-measurements	0	(1,122)	1,391	269		(904)	(108)	(1,013)
Less company contribution/benefits paid	0	(176)	(805)	(982)		(170)	(827)	(997)
Closing defined benefit liability/(Asset)	574	(2,753)	22,102	19,349	574	(1,654)	19,843	18,764
15.3 The amounts recognized as staff costs in the Statement Of Income are as follows:								
Current service cost	0	306	507	813		306	487	793
Net Interest on net defined benefit liability/(Asset)	0	(109)	1,167	1,058		(57)	1,126	1,068
Past Service Cost/(Credit)	0	0	0	0		0	0	0
Administrative Expenses	0	0	0	0		0	0	0
Net Pension Cost	0	197	1,674	1,871	0	249	1,612	1,861
15.4 Actual return on Plan Assets								
Expected return on Plan assets	0	396	0	396		396	0	396
Actuarial (Gain)/loss on Plan Assets/ Interest Income	0	858	0	858		815	0	815
Actual return on Plan Assets	0	1,254	0	1,254	0	1,211	0	1,211

15.5 Actuarial assumptions

	2020	2019
(I) Funded Scheme		
Discount rate	6%	6%
Salary increases	6%	6%
Pension increases	5%	2%
Rate of return on Pension Plan assets	9.1%	9.1%
(II) Unfunded Scheme		
Discount rate	6%	6%
Salary increases	6%	6%
Rate of return on Pension Plan assets	N/A	N/A

0%

There is no Pension Scheme for the subsidiary company.

	Ex-Gratia Pensioners				Steps Scheme			
	2020	2019	2018	2017	2020	2019	2018	2017
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Experience History								
Defined benefit obligation	22 377	19.843	19.166	22.860	12.554	12.886	13 015	13.191
Fair Value Plan Assets	0	0	0	0	(15.307)	(14.539)	(13 843)	(11.951)
(Surplus)/Deficit	22 377	19.843	19.166	22.860	(2.753)	(1.654)	(829)	1.240
Experience Adjustment on Plan Liabilities	1.665	(108)	(1.518)	(7.374)	(445)	(599)	(535)	(605)
Experience Adjustment on Plan Assets	0	0	0	0	858	815	703	670
Expected Company Contributions in 2020	322				832			

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 2021

15. EMPLOYEES RETIREMENT BENEFITS (cont'd)

15.6 Asset Allocation

	2020	2019
Equity Securities	18.20%	18.20%
Debt Securities	24.20%	24.20%
Property	7.20%	7.20%
Other	50.40%	50.40%
Total	100.00%	100.00%

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

16. REVENUE

	COMPANY		GROUP	
	2020 $M	2019 $M	2020 $M	2019 $M
Revenue by products				
Sugar	8,482	8,179	8,482	8,179
Molasses	1,485	1,192	1,485	1,192
Co-generation Electricity	-	-	-	-
Total Sales	9,967	9,371	9,967	9,371
Revenue by major markets				
Europe	2,348	3,420	2,348	3,420
North America	2,031	1,452	2,031	1,452
Caribbean	1,023	1,029	1,023	1,029
Guyana	4,515	3,433	4,515	3,433
Other Markets	50	37	50	37
	9,967	9,371	9,967	9,371

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.

16.1 REOPENING ESTATES.

These are costs relating to Skeldon, Rose Hall, Enmore and Wales Estates which are mainly ex-gratia payments and the operations and maintenance of the drainage and irrigation systems at all the Estates.

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
17. LOSS BEFORE TAXATION	(6,434)	(3,857)	(6,434)	(3,857)
After charging -				
Employment Costs				
Wages, salaries & other	9,698	8,123	9,698	8,123
Social security contributions	0	0	0	0
Employees retirement benefits	585	(149)	585	-
Materials and services purchased	4,977	4,304	4,977	4,304
Research and development expenses	0	0	0	0
Directors' fees & expenses	4	4	4	4
Depreciation	414	380	414	380
Auditors' remuneration-audit services	4	4	4	4
Interest expense -	1,655	1,625	1,655	1,625
After crediting				
Available for sale income (Republic Bank dividends)	13	16	13	16

18. TAXATION

Reconciliation of corporation tax expense and accounting loss:

	COMPANY 2020 $M	COMPANY 2019 $M	GROUP 2020 $M	GROUP 2019 $M
Accounting loss	(6,434)	(3,857)	(6,434)	(3,857)
Corporation tax @30%	(1,930)	(1,157)	(1,930)	(1,157)
Add: Tax effect of expenses not deductible in determining taxable profits				
Depreciation for accounting purposes	124	114	124	114
Defined benefit pension cost	176	(45)	176	(45)
	(1,630)	(1,088)	(1,630)	(1,088)
Deduct:				
Depreciation for tax purposes	-	-	-	-
Standing Cane	-	-	-	-
Tax losses	-	-	-	-
	(1,630)	(1,088)	(1,630)	(1,088)
Corporation Tax	-	-	-	-
Deferred Tax	-	-	-	-
	-	-	-	-
Property Tax - current year	-	-	-	-
- prior year	-	-	-	-
	-	-	-	-
Taxation - current	-	-	-	-
- prior year	-	-	-	-
- deferred	-	-	-	-
	-	-	-	-

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.

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

COMPANY

	2020			
	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
ASSETS	$M	$M	$M	$M
				0
Investments	1,203	-	-	1,203
Trade receivables	-	500	-	500
Other receivables and prepayments	-	3,328	-	3,328
Cash on hand and at bank	-	-	2,886	2,886
Total assets	1,203	3,829	2,886	7,918
LIABILITIES				
Employees retirement benefit	-	-	19,349	19,349
Trade payables	-	-	9,560	9,560
Other payables	-	-	45,714	45,714
Related parties	-	-	2,166	2,166
Borrowings	-	-	32,386	32,386
Taxation	-	-	4,025	4,025
Bank overdraft(secured)	-	-	(33)	(33)
Total liabilities	-	-	113,166	113,166

	2019			
	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
ASSETS	$M	$M	$M	$M
Investments	1,128	-	-	1,128
Trade receivables	-	1,760	-	1,760
Other receivables and prepayments	-	876	-	876
Cash on hand and at bank	-	-	(27)	(27)
Total assets	1,128	2,636	(27)	3,737
LIABILITIES				
Employees retirement benefit	-	-	18,764	18,764
Trade payables	-	-	8,312	8,312
Other payables	-	-	34,319	34,319
Related parties	-	-	2,116	2,116
Borrowings	-	-	32,407	32,407
Taxation	-	-	4,025	4,025
Bank overdraft(secured)	-	-	1,713	1,713
Total liabilities	-	-	101,656	101,656

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

GROUP

2020

	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
ASSETS	$M	$M	$M	$M
Investments	1,203	-	-	1,203
Trade receivables	-	500	-	500
Other receivables and prepayments	-	3,328	-	3,328
Taxes recoverable	-	-	-	-
Cash on hand and at bank	-	-	2,886	2,886
Total assets	1,203	3,829	2,886	7,918
LIABILITIES				
Employees retirement benefit	-	-	19,349	19,349
Trade payables	-	-	9,560	9,560
Other payables	-	-	45,714	45,714
Related parties	-	-	2,166	2,166
Borrowings	-	-	32,387	32,387
Taxation	-	-	4,025	4,025
Bank overdraft(secured)	-	-	(33)	(33)
Total liabilities	-	-	113,167	113,167

2019

	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
ASSETS	$M	$M	$M	$M
Investments	1,128	-	-	1,128
Trade receivables	-	1,760	-	1,760
Other receivables and prepayments	-	876	-	876
Taxes recoverable	-	-	-	-
Cash on hand and at bank	-	-	(27)	(27)
Total assets	1,128	2,637	(27)	3,738
LIABILITIES				
Employees retirement benefit	-	-	18,764	18,764
Trade payables	-	-	8,110	8,110
Other payables	-	-	34,318	34,318
Related parties	-	-	2,116	2,116
Borrowings	-	-	32,409	32,409
Taxation	-	-	4,025	4,025
Bank overdraft(secured)	-	-	1,713	1,713
Total liabilities	-	-	101,453	101,453

20 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 $349M (2019 $349M)

21. 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 2020			
	US Dollar	GBP	Euro	Total
	$M	$M	$M	$M
Assets	97	-	-	97
Liabilities	-	-	-	-
Net Asset/(liability)	**97**	**-**	**-**	**97**
	Group 2019			
Assets	(250)	1	1	(248)
Liabilities	(561)	(7)	-	(568)
Net Asset/(liability)	**(811)**	**(6)**	**1**	**(817)**

22. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

0

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.

	US$ Impact		Sterling Impact		Euro Impact	
	2020	2019	2020	2019	2020	2019
	$M	$M	$M	$M	$M	$M
Profit/(loss)	4.85	(40.55)	0.00	(0.30)	0.00	0.05

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.

COMPANY	effective average interest rate	2020 Maturing Within 1Year	1 to 5 years	Over 5 years	Non - interest bearing	Total
Assets		$M	$M	$M	$M	$M
Investments		-	-	-	1,203	1,203
Trade receivables					500	500
Other receivables and prepayments		-	-	-	3,328	3,328
Cash and cash equivalents	3.75	2,886	-	-	-	2,886
		2,886	-	-	5,032	7,918
Liabilities						
Employees retirement benefits		-	-	-	19,349	19,349
Trade payables		-	-	-	9,560	9,560
Other payables					45,714	45,714
Related parties		-	-	-	2,166	2,166
Borrowings	9.50	15,146	2,826	14,416	-	32,388
Taxation		-	-	-	4,025	4,025
Bank overdraft(secured)	9.50	(33)	-	-	-	(33)
		15,113	2,826	14,416	80,815	113,168
Interest sensitivity gap		(12,226)	(2,826)	(14,416)		

COMPANY	2019 Maturing Within 1 Year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets	$M	$M	$M	$M	$M
Investments	-	-	-	1,128	1,128
Trade receivables	-	-	-	1,760	1,760
Other receivables and prepayments				876	876
Cash and cash equivalents 3.75	(27)	-	-	-	(27)
	(27)	-	-	3,765	3,738
Liabilities					
Employees retirement benefits	-	-	-	18,764	18,764
Trade payables	-	-	-	8,312	8,312
Other payables				34,318	34,318
Related parties	-	-	-	2,116	2,116
Borrowings 9.50	17,232	2,826	12,351	-	32,409
Taxation	-	-	-	4,025	4,025
Bank overdraft(secured) 9.50	1,713	-	-	-	1,713
	18,945	2,826	12,351	67,535	101,656

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			
		Company 2020	Group 2019	Company 2020	Group 2019
	Increase/ decrease in basis point	G$M	G$M	G$M	G$M
Cash & cash equivalent	+ /-50	1	3	1	3
Borrowings	+ /-50	322	428	322	428

(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

AS AT DECEMBER 31, 2020

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.

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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 2020					
	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	-	-	-	-	1,203	1,203
Trade receivables	2,032	(1,532)	-	-	-	500
Other receivables and prepayments	3,257	71	-		-	3,328
Taxes recoverable	-	-	-	-	-	-
Cash on hand and at bank	2,886	-	-	-	-	2,886
Total assets	8,175	(1,460)	-	-	1,203	7,918
Liabilities						
Employees retirement benefits	-	-	-	-	19,349	19,349
Trade payables	9,560	-	-	-	-	9,560
Other payables	45,714	-	-	-	-	45,714
Related parties	-	-	2,166	-	-	2,166
Borrowings	-	-	15,146	2,826	14,414	32,387
Taxation	-	-	4,025	-	-	4,025
Bank overdraft(secured)	(33)	-	-	-	-	(33)
Total liabilities	55,241	-	21,337	2,826	33,763	113,167
Net asset/(liabilities)	(47,065)	(1,460)	(21,337)	(2,826)	(32,560)	(105,249)

22. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity risk (cont'd)

GROUP 2019

	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	-	-	-	-	1,128	1,128
Trade receivables	1,012	748	-	-	-	1,760
Other receivables and prepayments	1,930	(1,054)	-		-	876
Taxes recoverable	-	-	-	-	-	-
Cash on hand and at bank	(27)	-	-	-	-	(27)
Total assets	2,915	(306)	-	-	1,128	3,737
Liabilities						
Employees retirement benefits	-	-	-	-	18,764	18,764
Trade payables	8,110	-	-	-	-	8,110
Other payables	34,318	-	-	-	-	34,318
Related parties	-	-	2,116	-	-	2,116
Borrowings	-	-	17,232	2,826	12,349	32,407
Taxation	-	-	4,025	-	-	4,025
Bank overdraft(secured)	1,713	-	-	-	-	1,713
Total liabilities	44,141	-	23,373	2,826	31,113	101,453
Net asset/(liabilities)	**(41,226)**	**(306)**	**(23,373)**	**(2,826)**	**(29,985)**	**(97,716)**

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	
	2020	2019	2020	2019
	$M	$M	$M	$M
Cash on hand and at bank	2,886	(27)	2,886	(27)
Investments	1,203	1,128	1,203	1,128
Investment in subsidiary	-	-	-	-
Trade, other receivables and prepayments	3,830	2,636	3,830	2,636
Tax recoverable	-	-	-	-

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	
	2020	2019	2020	2019
	$M	$M	$M	$M
Trade and other receivables (excluding prepayments)	3,341	2,349	3,341	2,349
The above balances are classified as follows:				
Current	185	185	185	185
Past due but not impaired	3,156	2,164	3,156	5,559
	3,341	2,349	3,341	5,744
Aging of trade and other receivables which was pass due but not impaired				
Past Due up to 29 days	412	1,750	412	1,750
Past Due 30 - 59 days	203	360	203	360
Past Due 60 - 89 days	513	1,653	513	1,653
Past Due 90 - 179 days	121	5	121	5
Past Due over 180 days but less than 1 year	353	853	353	853
Past Due more than 1 year	1,739	739	1,739	739
	3,341	5,360	3,341	5,360
Collectively assessed provision for bad debts	-	-	-	-

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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 2016.

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	
	2020	2019	2020	2019
	$M	$M	$M	$M
Debt (i)	32,354	34,120	32,353	34,120
Cash in hand and at bank	(2,886)	27	(2,886)	27
Net debt	29,467	34,147	29,466	34,147
Equity (ii)	(89,468)	(83,131)	(89,468)	(83,241)
Net debt to equity ratio	0.75:1	1.50:1	0.75:1	1.49:1

(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	
	2020	2019
	$	$
Profit/(Loss) for the year	(6,433,951,400)	(3,857,176,617)
	Units	Units
Ordinary share issued and fully paid	10,799,571,775	10,799,571,775
Basic Profit/(loss) per share	(0.60)	(0.36)

	GROUP	
	2020	2019
Profit/(Loss) attributable to equity holders of the parent	(6,433,951,400)	(3,857,000,000)
Ordinary share issued and fully paid	10,799,571,775	10,799,571,775
Basic Profit/(loss) per share	(0.60)	(0.36)

25. Fair value of financial instruments

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

	GROUP 2020		GROUP 2019	
	Carrying Value $M	Fair Value $M	Carrying Value $M	Fair Value $M
Financial assets				
Available for sale investments	1,203	1,203	1,128	1,128
Trade receivables	500	500	1,760	1,760
Other receivables and prepayments	3,328	3,328	876	876
Taxes Recoverable	-	-	-	-
Cash and cash equivalents	2,886	2,886	(27)	(27)
	7,918	7,918	3,737	3,737
Financial liabilities				
Employee retirement benefits	19,349	19,349	18,764	18,764
Trade payables	9,560	9,560	8,110	8,110
Other payables	45,714	45,714	34,318	34,318
Related Parties	2,166	2,166	2,116	2,116
Borrowings	32,387	32,387	32,407	32,407
Taxation	4,025	4,025	4,025	4,025
Bank overdraft(secured)	(33)	(33)	1,713	1,713
	113,167	113,167	101,453	101,453

<u>Valuation techniques and assumptions applied for the purposes of measuring fair value</u>

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 valuators 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

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March 10, 2023

The Secretary,
Board of Directors,
Guyana Sugar Corporation Limited
La Bonne Intention
East Coast Demerara

Dear Mr. Singh,

Re: Audit 2020

Our audit of the financial statement of the **Guyana Sugar Corporation Limited** for the year ended December 31, 2020 has been completed. In the course of an audit it is normal that we include in the procedures, tests of the internal accounting and operating systems and controls, established by management to ensure the accuracy of the financial statements, and of the financial statements presented to us to determine their reliability and accuracy.

An audit is designed principally to enable the expression of an opinion on the company's financial statements as a whole and not to evaluate internal controls. Because of the inherent limitations of any audit, it is possible that material misstatements in the financial statements resulting from fraud and to a lesser extent from error may not have been detected. Accordingly, our audit would not necessarily have revealed all conditions requiring attention.

This report presents findings arising from our audit procedures and communicates weaknesses and/or opportunities for improvement in certain areas of the company's internal controls. These comments, by their nature, are critical as they relate solely to the weaknesses and do not address the many strong features and controls within the company's systems. Additionally, our comments address controls and reporting issues only and are not intended to reflect in any way upon the company's personnel.

A draft of the letter was discussed with the Managements and this letter incorporates their comments.

Prior Year Issues

Compliance The company has not held any annual general meetings since 2009. The Companies Act Cap. 89:01 as well as the Corporation's constituent documents require the holding of an annual general meeting at which certain prescribed business must be transacted.	Non-compliance with the Companies Act could result in statutory penalties or sanctions.	Non-compliance with the Companies Act could result in statutory penalties or sanctions.

Management Comments: We take note of this matter and would work with the Board of Directors to convene a meeting in 2023.		
Fixed Assets **1. Revaluation of assets** The company adopted a revaluation policy for property, plant and equipment over ten (10) years ago but has carried out no recent revaluation exercise. IAS 16.31 provides that "Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period." Additionally, management was unable to obtain information on the date on which the assets were last revalued.	Audit opinion could be impacted: Non-compliance with IAS 16.	Management should ensure that assets are revalued at least once every five years.
Management Comments: Management takes note of this matter. We will discuss with the Board of Directors. Management recommends a revaluation exercise every ten years. One will be programmed in 2024.		
2. Vested Assets a) By Order No. 45 of 2017, the Minister of Finance transferred from the Corporation the assets of the Skeldon Estate, Rosehall Estate, Wales Estate and Enmore Estate. Parts of the assets of Skeldon, Rosehall and the Enmore Estates have been returned to operational control of the Corporation under a Memorandum of Agreement among the Government, the National Industrial and Commercial Investments Limited. A proper listing of the assets was not however prepared and signed off. b) The Memorandum of Agreement does indicate the party that bears the	a) Potential dispute over assets transferred and re-transferred.	Matter should be resolved by way of a physical verification confirmed in writing.

responsibility should and loss or other event occurs. c) The assets owned and controlled by the Corporation, including several wooden buildings are not insured. d) The tax laws allow for the Corporation to claim wear and tear allowances as the operator of the assets.	b) and c) While the assets owned or controlled by the Corporation are widely dispersed, any major event could result in a substantial financial loss to the Corporation. d) Loss of potential tax benefit.	
Management Comments: We agree with the recommendation to conduct a physical verification exercise on the assets of the Vested Estates and confirmed in writing to NICIL. The Corporation wishes to inform the External Auditors that this exercise commenced in late 2022 and is currently a work-in-progress that is programmed to be concluded in the 3rd Quarter of 2023.		
Shareholders We observed that there are two (2) shareholders, namely Mr. Gavin B. Kennard and J.S.L Bowman, who no longer have any connections with the company.	Disputes could arise over the ownership of the corporation	Shares should be transferred to the Government of Guyana through some legislative mechanism. This issue should be referred to the Attorney General for action.
Management Comments: Management concurs with this recommendation and will engage with the External Counsel on resolving this matter.		
General Journals Generally, we noted that journal vouchers prepared at Uitvlugt Estate was not signed 'Approved by' the relevant personnel for the entire year.	The signature(s) of the relevant person(s) constitutes evidence of the existence and operation of important control measures. Without proper signature and/or approval, there is an increased risk of errors and irregularities going undetected.	Management must insist on all control procedures being followed. The relevant personnel should be reminded that they are expected to carry out their assigned functions which are critical to the maintenance of a strong control environment.

Management Comments: Management acknowledge this finding and has already dispatched notification to all the Estates emphasizing the importance of ensuring these control procedures are followed in the preservation of a strong internal control environment.		
Legal Matters The Corporation has over thirty pending matters, the earliest of which goes back to 1994. See attachment 1.		The Corporation should meet with its attorneys with a view to resolve some of these matters within its control..
Management Comments: We note your recommendation and will continue engaging our Legal Department on the settlement of these matters.		

Issues not previously addressed

Observations	Implications	Recommendations
Receivables Included in Receivables and Prepayments is an amount of $1,707,132,136 as a receivable from the Guyana Power and Light Inc.(GPL). The GPL is disputing this balance .	Overstatement of assets on the balance sheet.	If as seems likely, that this amount will not be received, the entire balance should be written off.
Doubtful debts on the books a) Edward B. Beharry & Co. Ltd is disputing an old debt is a balance of $1,172,013. b) An amount of $2,343,245 has been outstanding from South Amercican Imports of Anguilla and all efforts at recovery have failed. c) A similar situation applies in the case of Grenada Marketing and National Importing which has a long overdue amount shown as owing to the Corporation. d) Gopaul & Company Limited, a current customer, is disputing the amount of $10 million on account of what it claims was an unilateral price change and advertising costs it alleges were incurred in Trinidad for GuySuCo. e) Cane Farmers The Corporation is carrying on its books amounts totaling $1,437.1 Mn owing to Skeldon Cane Farmers as part of the Skeldon Project. The Corporation has made provision for these debts.		While provision has been made for these debts, we recommend that management make recommendations for the write-off of the debts and

		the removal of the provision.
Management Comments: Management notes the auditor's recommendations and will internally assess the probability of any future cash inflows to the Corporation from all of these highlighted long outstanding Receivables.		
Outside Parties Shown under Outside Parties are long outstanding amounts totaling $112.6 Mn owing by various Ministries and state bodies. Among these are: a) An amount of $53.7 Mn. shown as receivable from the Ministry of Agriculture for what appears to have been charges for political events, and payments of expenses including telephone charges, for Ministers of the Government. b) Ministry of Health mainly for Electricity charges for the Skeldon Hospital. c) Office of the President for use of the Guest Houses. d) Ministry of Natural Resources for payment of telephone charges. e) An amount of $68.8 Mn. owing by the Boeraserie Commission which has shown no movement for some time. f) An amount of $93.5 Mn. shown as owing by the Special Purpose Unit (SPU) set up under the APNU+AFC Administration in connection with the vesting of Estates.	These costs are not proper charges to the Corporation but may not be recoverable.	Management should seek the appropriate authority for the write-off .
Management Comments: Management notes the auditor's recommendations and will internally assess the probability of any future cash inflows to the Corporation from all of these highlighted long outstanding Receivables.		
Inventory There is a balance of $985.4 Mn as a debit balance in Inter Org		

Receivable/Payable, an account reflecting the transfers of inventory. This account should cancel out and was cleared in the 2019 financial statements. This appears to be a major reconciling issue.		
Management Comments: This account is an automated system generated control account. Management will investigate the reconciling differences with a view of clearing this account.		
Payables and Accruals 1. Amounts received from the National Industrial and Commercial Investments Limited during the period March to May 2015 2. Amounts received from the Central Housing and Planning Authority as Land sales Deposit during the period .to 2017 2010 We have not been provided with any documentation to support the nature of the amounts received.	The absence of information on the nature and terms of payment, if any, impacts the accounting and disclosure of this amount in the financial statements.	Both these matters should be resolved with the relevant government agencies and Ministries.
Management Comments: Management notes the auditor's recommendation and will engage our Board of Directors		
Provisions and Liabilities accounts for which no reconciliation is done. a) The Corporation operates a number of Contributory Health and Medical Schemes to which contributions are posted. At 31 December 2021, the accounts show the following balances; CH & MS - $66.8 Mn.	The reasonableness of these balances cannot be determined, as they are running balances and no reconciliations are done.	

CH &MS Major Plan - $513.2 Mn. CH &MS Basic Plan - $140.4 Mn b) Provision for passages There is a balance of $27.7 Mn as at the year end. These accounts are all active but are not reconciled on a periodic basis.		
Management Comments: Management will ensure a detail list of these balances is prepared instead of the summary balances currently being kept.		
Tax a) The Balance Sheet of the Corporation shows a liability of $4,025 Mn. for Corporation Tax for an indefinite period. In addition, the Corporation had for several years remitted PAYE deducted long after the due date, incurring penalties and interest. A statement received from the GRA shows the liability of the of the Corporation of $4,899.8 Mn. and Property Tax of $938.1 Mn. as at October 31, 2021. b) The Corporation has not met its commitment agreed in 2018 to discharge its then outstanding tax liability over a period of years (2011 – 2018). c) The Corporation had also requested a waiver of penalties and interest arising from this liability. The GRA has not formally responded to this request. The directors are of the opinion that the Corporation will not be assessed for any penalties and interest.		Management should pursue this matter with the GRA as part of its general discussion on its indebtedness.

<table>
<tr><td colspan="3">Management Comments:
Management notes the auditor's recommendation and will engage our Board of Directors.</td></tr>
<tr><td>Consolidated Statement of Financial Position

We draw attention to the Consolidated Statement of Financial Position which indicates that the Corporation has accumulated deficit of $118,806 Mn. as at December 31, 2020. The validity of the going concern basis on which the consolidated financial statements are prepared is dependent on the continued support from the State which has provided $25,236 Mn in financial support over the period 2015 to 2020.

Should the Corporation be unable to continue in operational existence, adjustments would have to be made to bring the 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 and liabilities as current assets and liabilities.</td><td>As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of Other Receivables, Other Payables and Accruals and Borrowings and the overall assets and liabilities of the Corporation and their consequential impact on Consolidated Statement of Comprehensive Income. .</td><td></td></tr>
<tr><td colspan="3">Management Comments:
Management notes the auditor's comments on this going concern matter and will engage our Board of Directors for discussion.</td></tr>
<tr><td>Included in Other Payables and Accruals is an amount of $11,470 Mn. received from the NICIL SPU during the period July to December 2020. We have not been provided with any documentation to indicate the nature, accounting and presentation of this amount.</td><td></td><td></td></tr>
<tr><td colspan="3">Management Comments:

Management notes the Auditor's recommendation and will be working with our Directors and the Audit Office of Guyana to close this matter.</td></tr>
</table>

Acknowledgement

We hope that you find the foregoing comments useful and extend our thanks to the management and staff of **Guyana Sugar Corporation Inc.** for the co-operation received during the course of the audit.

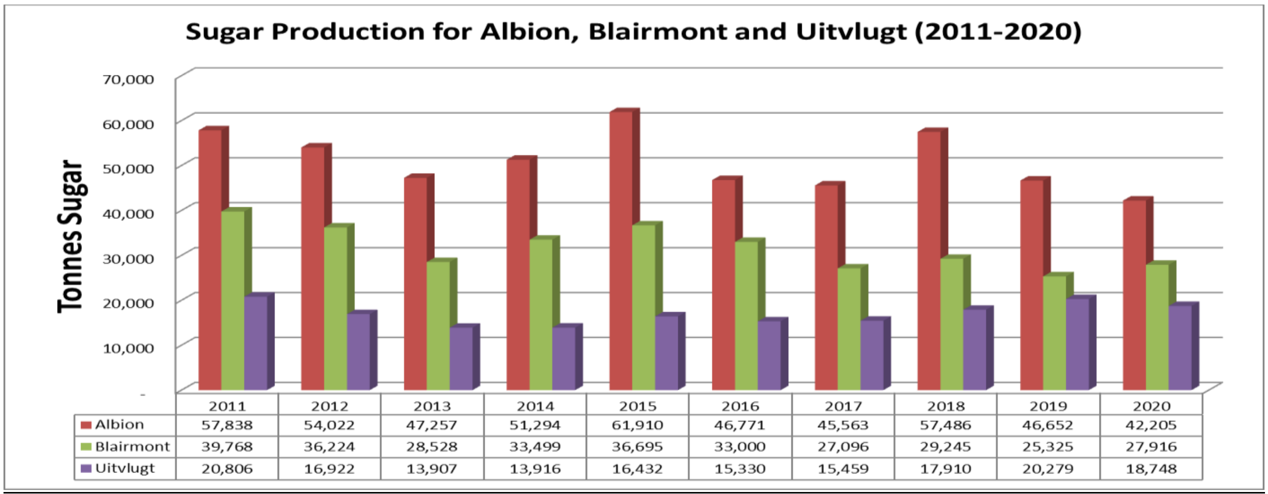
Yours faithfully,

L.C Ram
Partner

TEN YEARS REVIEW

Sugar Production (Metric Tonnes)

Estate	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Skeldon	29,410.09	33,309.00	25,544.00	35,890.07	39,157.00	31,782.62	14,302.71	-	-	-
Albion	57,837.88	54,021.55	47,257.00	51,294.28	61,910.00	46,770.88	45,563.47	57,485.63	46,651.80	42,205.12
Rose Hall	39,342.96	34,429.00	28,098.00	31,930.85	29,767.93	20,580.73	22,381.42	-	-	-
Blairmont	39,767.99	36,223.51	28,528.20	33,499.26	36,695.21	33,000.40	27,095.83	29,244.72	25,325.17	27,915.65
EDE	27,382.70	23,908.39	20,676.00	30,931.60	27,094.75	19,341.43	12,495.14	-	-	-
Uitvlugt	20,805.51	16,922.00	13,907.00	13,915.55	16,432.07	15,330.46	15,459.39	17,910.47	20,279.20	18,747.59
Wales	21,958.45	19,254.85	22,744.40	18,897.87	20,014.48	16,808.97	-	-	-	-
Total	**236,505.58**	**218,068.30**	**186,754.60**	**216,359.47**	**231,071.44**	**183,615.49**	**137,297.96**	**104,640.82**	**92,256.18**	**88,868.36**



Cane Yields (Tonnes Cane/Hectare)