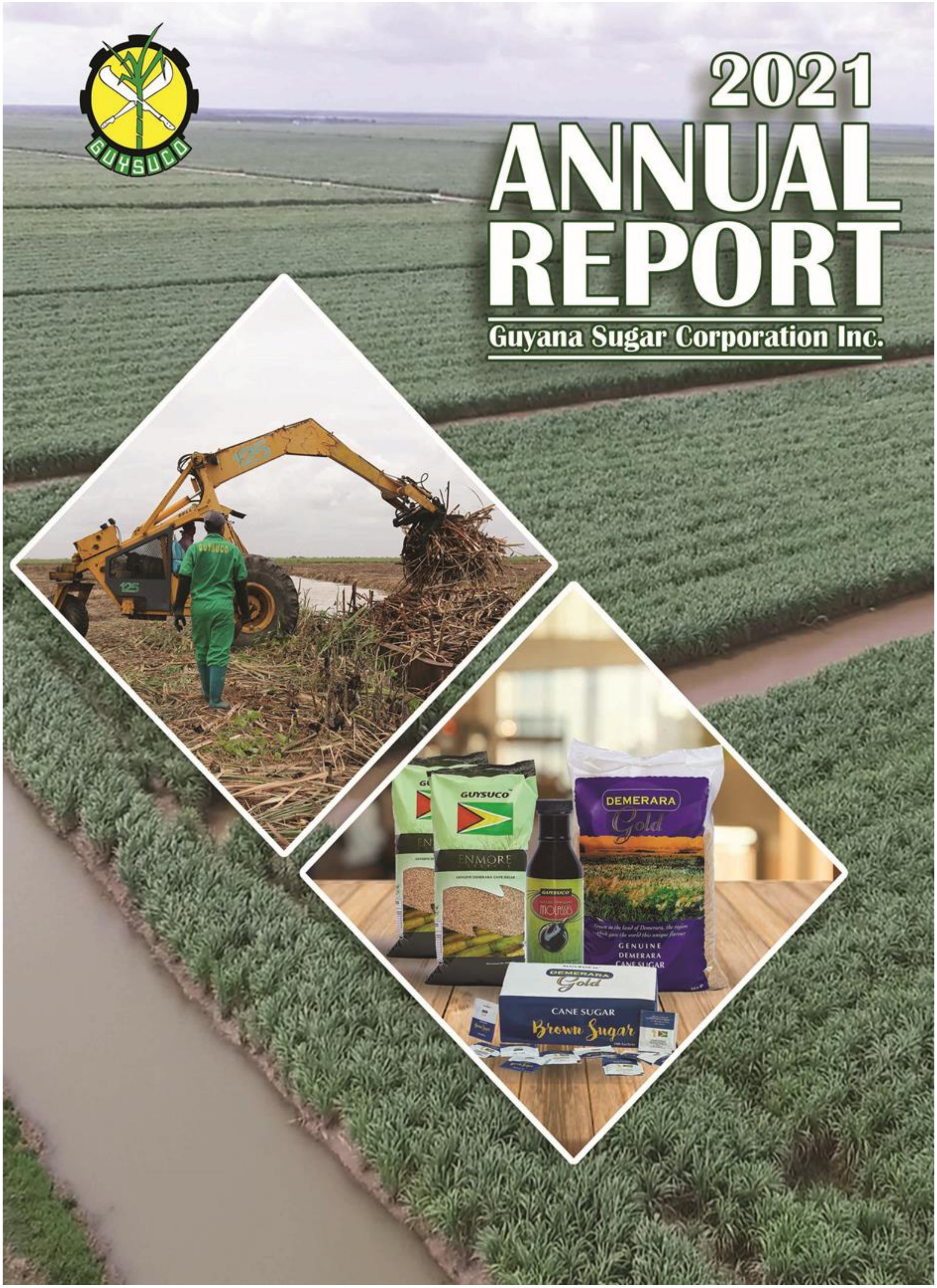
GUYSUCO
2021
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Guyana Sugar Corporation Inc.
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Board of Directors

Mr. Pravinchandra Dave
Chairman

Mr. Anthony Vieira
Vice – Chairman

Mr. Aslim Singh
Director

Mr. Jairam Petam
Director

Ms. Shaleeza Shaw
Director

Mr. Ramesh Persaud – Resigned in 2021
Director

Mr. Tarachand Balgobin
Director

Mr. Paul Cheong
Director

Ms. Shameera Evans
Director

Ms. Delma Nedd
Director

Mr. Mohamed Shadiq Raffik
Director

Mr. Desmond Atelbert Sears
Director

Mr. Roy Rohan Hanoman – Singh
Director

Mr. Sasenarine Singh
Chief Executive Officer

REVIEW OF OPERATIONS

GUYSUCO CHIEF EXECUTIVE, SASENARINE SINGH

Due to the extra-ordinary rainfalls during the 1st Crop of 2021, when more than 1,320 mm of rain fell against the long term average of 771 mm, production closed at 58,025 metric tonnes (mt) for 2021. This production was 34% or 30,843 mt below the 88,868 mt of sugar produced in 2020 from the three (3) Grinding Estates -, Albion/Port Morant, Blairmont and Uitvlugt.
This unfortunate climatic condition resulted in extensive flooding across the Industry, with the formal declaration of a National Disaster in the country as a result of the associated 65 days of flooding, especially at Albion/Port Mourant Estate. At the Albion/Port Mourant Estate in 2021, the loss in value of standing canes aggregated to G$2.3 Billion (representing a 45% loss from the original 2021 cane estimates). Across the Industry, the total loss in value of standing canes - amounted to G$2.9 Billion.

The canes harvested for the year 2021 amounted to **830,526 mt,** which was a deficit on the budgeted cane estimate by 199,215mt (19%). This shortfall was mainly driven by the extensive stool death of the plant canes and ratoons at the Albion/Port Mourant cultivation as a result of prolonged flooding.

Additionally, there was also a material reduction in the cane yield as a result of the 2021 floods. The average cane yields in 2021 declined by approximately 16%, resulting in only 54.54 metric tonne per hectare (mt/h) being achieved, compared to 64.68 mt/h in 2020. The 2021 floods hampered the Estates' rehabilitation program due to poor access to the fields compounded by extended rainfalls causing a delay in the application of fertilizers and weed control agro-chemicals.

The Albion/ Port Mourant, Blairmont and Uitvlugt Estates collectively tilled 1,763 hectares (ha) which represents a mere 8.33% of the Estates total cultivation. Similarly, 1,561 ha of planting were completed representing 7.38% of the Estates cultivation. The main reason these programs were not achieved stemmed from a lack of investment in field equipment during 2019 and 2020, along with a decline in available manual planters. The Industry's average attrition rate of planters was 11% in 2021.

Low labour attendance, particularly among cane harvesters was a serious challenge for management since it adversely affected the efficiency of agriculture operations. The average harvesters' turnout for 2021 was 48.65% compared with 58.50% in 2020. This deficiency also affected other agriculture operations such as fertilising, weed control, etc.

Due to low capital inputs in the prior two (2) years, G$76 Million and G$420 Million respectively, several key factory equipment that required urgent replacement and repairs remained unattended and in poor physical condition. Additionally, the loss of key managerial skills at the technical levels in the factories during the period 2017-2020 weakened the Corporation's ability to execute the required Factory Improvement Program and adversely contributed to the factory mechanical and electrical reliability and efficiency.

The Corporation remains focused on fulfilling its market obligation with value added products through market research. This strategy aims to keep the Corporation competitive in the targeted regional and international markets despite growing competition from other sugar producing countries. The local market was adequately supplied with both bagged and packaged sugar.

The Corporation continued to suffer from key employees' departure as a result of migration, retirement and the pull of the more lucrative oil and gas sector. During the year, there were seventeen (17) senior staff resignations, four (4) early retirements and two (2) normal retirements. The Training Unit continues to impart required skills to eligible staff members to enhance their job performance and increase the retention rate of key skills in the industry.

Information Technology (IT) plays an increasingly critical role in the Corporation's operations. The IT Team rolled out a new program to track cane punts at Albion/Port Mourant Estate which will improve the efficiency levels in the utilisation of this vital asset in the Corporation and translate to cost reductions in the Industry.

The impact of the 2021 Flood and the lower factory productivity resulted in the increase in the cost of production of the three (3) Grinding Estates to 42.84 US cents per pound from 28.41 US cents per pound in 2020. An urgent Agriculture Improvement Program is being planned for 2022 to lower the Cost Per Unit (CPU) in subsequent years.

In 2021, the Corporation accelerated its work program on the Project to re-open the Rose Hall Estate, in compliance with its 2021-2026 Strategic Plan. G$3.8 Billion was spent at Rose Hall during 2021. These investments aided in the creation of new employment in the Lower Corentyne and East Bank Berbice areas. This strategic intervention allowed for the injection of renewed economic energy to these rural communities. Rose Hall Estate successfully tilled and planted 334.6 ha and 324.1 ha, respectively.

Despite facing significant operational challenges in 2021, management remained committed to achieving improvements in sugar production by positively leveraging the assets to enhance productivity and reduce cost.

I wish to extend my sincere gratitude to the GuySuCo Family for their support during 2021 and look forward for their continued dedication and hard work in the future.

1.0 AGRICULTURE OPERATIONS

The operations of the Agriculture Services Department (ASD) for the year under review and the achievement of critical agricultural activities of the operational Estates namely Uitvlugt, Blairmont and Albion/Port Mourant are highlighted below. The main focus of agriculture services during the past year has been on the continual improvements in agronomic practices, productivity, infrastructure, drainage and irrigation maintenance, continuation of the development of mechanized field layouts at Albion and re-capitalising the Estates' agricultural machinery fleet.

The industry fell short of its budgeted sugar target by 21,595 metric tonnes (mt); while cane yield declined by 6.98 tonnes cane per hectare (tc/ha) from estimates while sugar yield was 3.466 tonnes sugar per hectare (ts/ha). Field production was negatively affected due to limited tillage and replanting achieved in 2020 and the flood conditions that severely affected operations in the 1st half of 2021 particularly at Albion (largest Estate with 9,616 of 17,858 ha) that hampered cane growth and development.

Overview

A total of 58,025 mt sugar was produced from the harvesting of 15,228 hectares (ha) with a supply of 830,526 tonnes cane (tc). Land preparation and planting reflected a total of 1,763 and 1,561 ha respectively; while, total average rainfall recorded in 2021 reflected 997 mm more than 2020, and 705 mm more than the 66 years long term mean (LTM).

Labour attendance, interruptive weather and machine unavailability had a negative impact on production operations and re-cultivation activities on all locations. Though it remained generally below requirement, the average attendance of cane harvesters declined in 2021 to 48.6 % from 58.5 % in 2020; hence, a gradual annual decline in labour availability continued.

2021					2020
Field Operations	**Albion**	**Blairmont**	**Uitvlugt**	**Total / Average**	**Total / Average**
Harvest Area (ha)	6,569	4,840	3,819	**15,228**	**18,818**
Cane (mt)	365,569	269,218	195,740	**830,526**	**1,217,154**
Sugar (mt)	24,822	19,806	13,397	**58,025**	**88,868**
Cane Yield (tc/ha)	55.65	55.62	51.26	**54.54**	**64.68**
Sugar Recovery (tc/ts)	14.73	13.59	14.61	**14.31**	**13.70**
Land Preparation (ha)	1,079	312	372	**1,763**	**1,934**
Planting (ha)	905	385	272	**1,561**	**2,045**
Supplying (ha)	196	506	181	**883**	**912**
Fertilising Outstanding - Plants (ha)	218	160	165	**543**	**892**
Fertilising Outstanding - Ratoons (ha)	1,548	1,044	261	**2,852**	**3,559**
Annual Rainfall (mm)	2,468	2,505	3,123	**2,746**	**1,749**
Cane Harvesters Attendance (%)	51.00	47.00	48.00	**48.60**	**58.50**

Table 1: Production Statistics for 2021

1.1 Weather

The Industry's average annual rainfall recorded during 2021 was 2,698.93 mm as compared to 1,748.6 mm in 2020; the 66 years LTM for the corresponding period is 2,076.43 mm. The high volume of rainfall resulted in flood conditions especially towards the end of the 1st crop 2021 and this severely affected the agricultural operations. Approximately 30% of the Albion cultivation was abandoned due to stool death as a result of prolonged flooding (65 days submergence).

The impact of the flood situation continued into the 2nd crop 2021 because of the damage to access routes and the water logged soil conditions thereby delaying corrective actions and this subsequently interrupted the production efforts during the 2nd crop 2021. The weather pattern along with labour shortage resulted in the extension of the crop.

The average number of opportunity days recorded is as shown in Table 2 below against a budget of **seventy-five (75) days for the year.**

Estate	Annual Rainfall 2021(mm)	Annual Rainfall 2020(mm)	66-YR LTM Annual Rainfall (mm)	Opportunity days
Albion	2,468.40	1,499.00	1,744.68	**58.0**
Blairmont	2,505.20	1,543.70	1,793.78	**21.5**
Uitvlugt	3,123.20	2,203.10	2,690.82	**40.5**
Industry Average	**2,698.93**	**1,748.60**	**2,076.43**	**40.0**

Table 2: Average Annual Rainfall (mm) for 2021, 2020 and 65-years LTM and 2021 Opportunity Days

1.2 Harvesting, Sugar Production and Cane Yields

Harvesting and Sugar Production

The canes harvested for the year 2021 amounted to **830,526 mt** and this was obtained from 15,228 ha from Albion, Blairmont and Uitvlugt Estates and private cane farmers.

Total sugar production for the year was **58,025 mt** and which was 21,595 mt below the estimate of 79,620 mt, representing an achievement of 72.87% of the targeted production.

Estate	Cane Processed (mt)			Sugar Produced (mt)			TC/TS		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Albion	460,763	365,569	(95,195)	36,938	24,822	(12,116)	12.47	14.73	2.25
Blairmont	315,492	269,218	(46,274)	25,194	19,806	(5,388)	12.52	13.59	1.07
Uitvlugt	253,486	195,740	(57,746)	17,489	13,397	(4,091)	14.49	14.37	(0.12)
Industry	**1,029,741**	**830,526**	**(199,215)**	**79,620**	**58,025**	**(21,595)**	**12.93**	**14.26**	**1.32**

Table 3: Actual and Budgeted Cane and Sugar Production for 2021

Cane Yields

There was a decline of approximately 16% in the average cane yields in 2021 whereby only 54.54 was realised against 64.68 in 2020. This decline was due mainly to the limited rehabilitation works done in 2020 especially the delayed fertilizer application and which resulted mainly from the shortage of labour and the impact of the flood conditions on 2nd crop cane growth.

1.3 Labour Attendance

Agriculture operations continue to suffer from low than expected labour turnout particularly from cane harvesters; this would have affected the harvesting rate and the delivery of fresh canes at the optimal age to the factories with a negative impact on recoveries.

As shown in table 4, below cane harvesters turnout reduced in 2021 compared to 2020, that is; 48.65% compared to the 58.50% recorded in 2020. It must be noted that GUYSUCO's agriculture operations is very labour intensive.

Cane - Harvesters Attendance - 2021					**2020**
Estate / Crop	**Albion %**	**Blairmont %**	**Uitvlugt %**	**Industry Avg. %**	**Industry Avg. %**
1st Crop 2021	56.00	54.00	55.00	55.00	**55.70**
2nd Crop 2021	46.00	40.00	41.00	42.30	**61.30**
Year 2021	**51.00**	**47.00**	**48.00**	**48.65**	**58.50**

Table 4: Cane Harvesters Attendance for 2021 and 2020

1.4 Land Preparation, Planting, Supplying and Infield Drainage

Land Preparation

In 2021, the Albion, Blairmont and Uitvlugt Estates collectively completely tilled 1,763 ha and which represented merely 8.33% of the Estates cultivation mainly because of machine reliability since 50% of Albion and Blairmont fleet were below three (3) years old and the remaining 50% along with Uitvlugt's entire fleet were thirteen (13) years and older even though the established operational life is approximately eight (8) years.

Further, the quality of output improved significantly with the use of the 190 HP JD 6190 tractors and the thirty-two (32) inches diameter 5 - disc ploughs. Ploughing depth averaged eleven (11) inches on the cambered beds and 14-15 inches on the broad beds. Going forward the aim is to procure equipment that will improve productivity so as to increase output within the limited opportunity days.

Planting

The Estates completed 1,561 ha of planting and which represents a meagre 7.38% of the Estates cultivation. The reduced availability of manual planters created an achievement problem for the Estates, hence greater emphasis on alternative methods such as semi-mechanical or fully mechanical planting must be explored urgently. It should be noted that at Uitvlugt, the focus was placed on the establishment of farmers' fields.

Supplying

The volume of supplying required in fields that were semi-mechanically planted continue to be high, indicating the need for greater attention to quality and standards of work with this method of planting. Most of this supplying was done during the out-of-crop periods or when planters were not engaged in planting and efforts were concentrated on repairing prime-cycle (Plants to 2nd Ratoon).

Estate	Year 2021			Estate Cultivation (ha)
	Land Preparation (ha)	Planting (ha)	Supplying (ha)	
Albion	1,079	905	196	9,616
Blairmont	312	385	506	5,808
Uitvlugt	282	182	181	2,434
Uitvlugt - Farmers	90	90	0	3,303
Industry	**1,763**	**1,561**	**883**	**21,161**

Table 5: Land Preparation, Planting and Supplying completed in 2021

Infield Drainage

The Estates were only able to achieve 65.9% of their planned infield drainage rehabilitation activities even though they had adequate resources available. However, the slow rate of harvesting in the prime cycle areas along with major mechanical problems experienced by two (2) tractors at Blairmont affected this achievement. It should be noted that the limited labour that is available (shovel-men) was used mainly for re-shaping and grading of drains in plant-cane fields after planting.

1.5 Fertilizing, Weed and Rodent Control

Fertilizing

The timely application of both low grade rock phosphate (LGRP) and fertilizers was affected throughout the year by labour shortages; as such, 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. However, efforts are being made to acquire mechanical applicators for LGRP in the coming year.

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

Weed Control

Chemical Weed Control (CWC) activities were similarly affected by shortages of labour, a situation that is worsening. To partially compensate for this, greater use were made of boom-sprayers and the aircraft for herbicide application when conditions were favourable. The ‘no fly zone’ continues to be a major issue for the Estates as it significantly limits the aerial application of herbicides and cane ripener; as such, GUYSUCO will be exploring the use of other aerial vehicles such as drones to undertake this activity.

It should be noted that during this period under review there was adequate supply of agro-chemicals; however, programmes were delayed not because of material resources but manpower required for the application was not fully available. The aircraft applied within the fly zone but the cane plants within the no fly zone suffered from weeds competition and vines.

Rodent Control

The level of rodent damage on all three (3) Estates continue to be a concern, the Estates continued with the 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 means of trapping larger amounts of the pest.

Rodent surveys and data captured is summarized in Table 6 below, the Fresh Stalk Damage (FSD) is well below the economic threshold level of 0.50%. Further, due to the shortage of designated workers, rodent-control work was intensified during the out-of-crop periods, with the aid of cane harvesters.

Activity		Albion	Blairmont	Uitvlugt	Industry
Surveillance	Hectares Surveyed	8,741.70	4,318.10	9,857.50	22,917.30
	% FSD Recorded	0.1	0.2	0.3	0.10
Hunting of Rodents	Hectares Hunted	11,467.40	25,117.30	84,776.40	121,361.10
	Total Rats Caught	**1,665.00**	**5,558.00**	**53,948.00**	**61,171.00**
	Rats Caught / Hectare	0.1	0.2	0.6	0.50
	Man-days Used Hunting	577	841	3,292.00	4,710.00
	Rats Caught / Man-day	**2.9**	**6.6**	**16.4**	**12.99**
Baiting of Fields	**Total Hectares Baited**	**6,193.60**	**15,927.50**	**23,614.80**	**45,735.90**
	Total Baits Used (kg)	1,689.60	4,102.00	6,466.10	12,257.70
	KG Bait used / Ha	0.3	0.3	0.3	0.3

Table 6: Rodent Control data for 2021

1.6 Water Management

The Corporation operates and maintain fifty-four (54) drainage and eight (8) irrigation pumps across seven (7) Estates (Skeldon to Uitvlugt) that service its needs together with that of adjoining farming and residential communities.

Currently, GUYSUCO is executing an agreement with the National Drainage and Irrigation Authority (NDIA) for operation and maintenance of drainage and irrigation infrastructure of all Estates including those which are not presently in sugar production and for which the NDIA reimbursed GUYSUCO to the tune of $1.8Bln in 2021. The management of the ‘Torani Canal’ linking the Canje Creek with the Berbice River also forms part of this contractual arrangement.

The NDIA is engaged with remedial civil works at the Albion Number #1 Pump, additional works had to be done which resulted in an extension of the completion date. The NDIA assisted with the provision of two (2) mobile pumps to substitute for the failed Montrose submersible pumps. Further, routine maintenance of pumps are done as required.

Albion Estate currently has four (4) pumps which are inoperable and has been that way for approximately one (1) year now; three (3) of those pumps are the submersible pumps. The cash constraint faced by the Corporation has been delaying the remedial works; as such, NDIA is assisting with mobile pumps until the issues are resolved.

During the year under review, the GUYSUCO representative regularly attended and participated in meetings of the various water management boards/ committees such as NDIA, East Demerara and Boerasirie Conservancies. The occupation of reserves continues to be a major restriction to efficient and effective maintenance of drainage channels.

1.7 Private Sugarcane Farming

Cane farmers across the country contributed 9.97 % towards GUYSUCO sugar production for 2021.

Albion Farmers
The Port Mourant United Co-op Society (PMU) has 334.7 ha of cane lands but only 67 ha is under cane. However, they are now expressing renewed interest in cultivating the remaining 267.7 ha to supply the Albion factory but funding of the PMU operations is required. This will add to the already existing 231 ha under canes at Mr. Roy Hanoman's farm.

Another farmer, Mr. Kase Singh, who has 191 ha of land located at the back of the Port Mourant United Co-op Society area has commenced work to cultivate 51 ha with fully mechanized layout, the remaining 140 ha will be cultivated progressively.

When farmers lands are fully cultivated it will add an additional 459.1 ha to the already existing 298 ha totalling of 757.1 ha of canes for farmers at Albion Estate.

Uitvlugt Famers
The Corporation leased a total of 3,303 ha of land to private cane farmers at Uitvlugt Estate in addition to the existing 225 ha of farmers land on the West Bank of Demerara. It should be noted that to-date, only 1,636.7 ha from the 3,303 leased on the Estate were cultivated. The reluctance to cultivate is attributed to the low sugar price obtained coupled with the high tc/ts and frequent factory downtime experienced in recent years.

Nevertheless, the Corporation continues to encourage the farmers to cultivate the land as per lease arrangement and has even offered machinery assistance for tillage to the farmers but acceptance of same was limited.

Challenges for Uitvlugt Farmers
There is a growing shortage of labour to work in the farmer's cultivation, thus farmers are now faced with investing in mechanized operations, converting fields layout and acquiring

appropriate machinery; as such, the small scale farmers are finding it difficult to progress with the cultivation and maybe they require some form of financial assistance.

The unprecedented rainfall experienced during the year under review was not helpful towards sugar production since it affected tillage and replanting activities. Additionally, the constant factory downtime coupled with the high tc/ts served as a deterrent factor towards investment.

1.8 Rose Hall Estate

The re-opening of the Rose Hall Estate is in keeping with the Government of Guyana's commitment to re-open the Skeldon, Rose Hall and Enmore Estates. This re-opening is intended to resuscitate the sugar communities, make available employment for persons and provide transitional support in areas where sugar Estates were closed. During the year 2021, the Rose Hall Estate achieved the following as stated in Table 7 below, with regards to Agriculture Operations.

Field Operations	Rose Hall
Land Preparation (ha)	334.60
Planting (ha)	324.10
Supplying (ha)	52.80
Annual Rainfall (mm)	2,886.80

Table 7: Rose Hall Estate Agriculture Operations

Further, there were several on-going capital projects and which included the following:

- Rehabilitation of the Factory Building.
- Replacement of the No. 2 Chimney.
- Rehabilitation of the General Stores Building.

The Rose Hall Estate will be the first Estate to re-open with the commencement of grinding operations in September, 2023 with a budgeted sugar production of 5,165 mt from the crushing of 70,808 mt canes and 1,061 ha.

1.9 Agriculture Support

Agricultural Statistics / Information Management Systems
The Agricultural Statistics Unit of the Department continued to aggregate and collate agricultural production data from all Estates, and to facilitate the use of such data as a mean of decision making, monitoring progress and productivity of agricultural operations and the use of resources on the Estates.

The continual improvement of the daily and weekly operation reports, the Field Record System (FRS) and the training of Estate personnel in the use and updating of these in-house monitoring tools, were key areas of focus for this unit. Also, this unit provides critical production data to the Ministry of Agriculture.

Agricultural Engineering
The Agricultural Engineering team continued to give critical support to operating locations to ensure resources are utilised in accordance to manufacturers' guidelines and consistent with corporate expectations. Monitoring of productivity or machinery performance, fuel and lubricants usage and spares procurement were the main areas of attention. These activities were achieved through regular visits to the Estates.

The Engineers continued with several of the agricultural mechanization initiatives that were started the previous year particularly field layout development at Albion. The Engineers were also engaged in training of staff to execute the work plan being implemented and also to understand the operational and maintenance requirement of field equipment.

The general focus of this Unit is to promote mechanization of agricultural operations as a means of improving agricultural productivity and to better utilise available human resources. The limitation to the project is availability of equipment.

Field Equipment
The machinery fleet can be considered at the age for replacement since failures are frequent and spares are difficult to acquire with the exception of the ten (10) tillage and fifteen (15) drain-ditching tractors acquired in 2019; as such, in order to accelerate the land preparation and field conversion programmes upgrading of the machinery fleet is necessary.

The use of the mechanical harvesting equipment at Albion was limited due to lack of investment in the road transport trucks to complete the system designed since there was very limited availability of contractors lorries when required and in numbers, although the rates of payment were revised upwards. It should be noted that the system used for the harvesting of expansion "C" canes indicate the harvest to delivery at factory is achieved within four (4) hours.

With the limited investment made, the fleets of machinery, implements on the Estates did not allow for maximum utilization of opportunity time or the achievement of work programmes. The timely procurement of spares was an area of concern since suppliers had difficulties delivering spares in accordance with expectations. However, the Field Work Shops continued to use their initiatives to improvise and reuse components to keep machines operable without exposing personnel to safety risk.

Conversion Equipment
Currently at Albion there are five (5) Buhler Versatile tractors equipped with laser levelling equipment, of which four (4) are operable. Spares availability is a major constraint because of the age of the fleets since these machines are over eighteen (18) years old and spares acquisition takes a very long time. Further, the achievement of the conversion plan will depend on the expansion of the current fleet since each set of equipment is capable of completing 100 ha annually once the conditions are favourable.

Machine Availability and Utilization
The Field Work Shops continue to build on the progress they have made coupled with the training and involvement from Agriculture Services Department (ASD) engineers which would

have impacted on their performance. The majority of the staff on the Estates possesses the technical back ground as it relates to their job; however, there is need for further management and leadership skills development and going forward, this area should be given more attention in order to improve.

The Field Work Shops continue to lose artisans to the oil and gas sector, and other entities, primarily as a result of the remuneration package. All the Estates have a shortage of tradesmen (mechanics, electricians and welders) which is affecting quality and productivity and need to be addressed. Training requirement needs should be prioritised urgently.

The Estates have conducted trade tests to upgrade the artisans and operators in the mechanical tillage department. Also, in house training was done on Estates for tillage operators and mechanics, whilst the Agriculture Services Department conducted training for the bell loader operators on all the Estates.

The Field Work Shops and their staff must be commended for keeping the aged fleet in an operable state, despite limitation of resources – skills and spares. The recapitalization of the field machinery fleet will increase availability and impact positively in achieving the work programmes of the Estates.

The utilisation of tillage, drain-digging, excavators and bell cane loaders are significantly below what can be considered good; as such, greater effort is required from all parties involved so as to improve, particularly commitment on the part of the operators and this may require a review of their compensation package.

Estate	Machinery Usage							
	Tillage		Drain Digging		Excavator		Bell Loading	
	Budget (%)	Actual (%)	Budget (%)	Actual (%)	Budget (%)	Actual (%)	Budget (%)	Actual (%)
Albion	80.00	38.30	80.00	31.00	75.00	31.00	80.00	19.50
Blairmont	80.00	53.60	80.00	42.50	75.00	45.60	80.00	30.30
Uitvlugt	80.00	34.40	80.00	43.10	75.00	25.40	80.00	34.90
Industry	**80.00**	**42.10**	**80.00**	**38.87**	**75.00**	**34.00**	**80.00**	**28.23**

Table 8: Machinery Usage

Central Work Shop (CWS) – Albion

The CWS continues to play a vital role in the manufacturing and reconditioning of various types of components for GUYSUCO factories, field machinery and third party jobs. The responsibility of the land conversion unit remained under the CWS and ASD.

Estates Surveyors Department

The Estates surveyors were, inter alia, involved in the following and some of which were done in collaboration with the Factory Operations Department.

- Cross sections and longitudinal profiles of side-lines of Blairmont Estate to facilitate rehabilitation;
- Cross sections and longitudinal profiles of side-lines at Uitvlugt Estate to establish dredging requirements;
- Topographic and engineering surveys for construction works and land matters.

The staff of the Agriculture Services Department continued to monitor in 2021 the availability and utilization of agro-chemicals, field equipment, personal protective equipment (PPE), while liaising with other departments to ensure the relevant resources are made available to the operating units. The team also provided technical advice to the Estates as required.

The Engineering and Operations team routinely visited Estates to review work activities and standards for land preparation, planting, drainage, crop-husbandry and harvesting operations. Such visits to Estates also facilitated identification of critical issues affecting operations and production, sequencing of field operations and work planning with agriculture staff to improve on gaps identified. On such visits, record-keeping for the various work activities and the condition of agro-chemical inventories and storage facilities are routinely examined. Theoretical and practical training were also conducted by the technical team for operators.

Further, reports emanating from the Agriculture Audit team highlighted the areas in which special attention must be given so as to improve overall performance.

Land Conversion

Empoldering Operations

Bell Loading Operations

Cane Transport

2.0 AGRICULTURE RESEARCH DEPARTMENT

In 2021, the Agriculture Research Department continued to monitor, guide and support the Estates when technical assistance and advice were required. 2021 was a very wet year across the industry, following a dry 2020. Wetter than normal precipitation levels were experienced across the industry, which exceeded the established long term means for all locations. The mean annual rainfall across the industry was 2,952 mm, 44.0% above the established 66 years historical Long Term Mean (LTM).

All Estates experienced wetter than normal weather patterns during the primary rainfall season, due to the extension of La Nina conditions which commenced during the latter quarter of 2020. Generally conditions experienced during the year negatively affected opportunities for tillage, husbandry and harvesting operations, resulted in significant economic losses in cane and sugar production and also resulted in heavy infrastructural damage.

The Breeding and Selection section commenced 2021 with 144,435 seedlings; 2,311 clones and 658 varieties at stage III. In addition, 125, 11 and 12 varieties were evaluated at stages IV, V and VI respectively. Further 2,902 seedlings were advanced to stage II and 46 to stage III, 76 clones were advanced to stage III and 32 varieties were planted in formal trials. Eleven (11) stage IV varieties have shown commercial promise as such, they are being bulked up for multi-location evaluation (Stage V). Four (4) of the twelve (12) stage VI varieties were removed from further evaluation for commercialization due to smut susceptibility and poor performance.

Twenty thousand one hundred and ninety (20,190) seedlings were also planted for family and stage I evaluation. The D 9017 variety occupies the largest area in cane across the industry (22.6%) followed by DB9633 (16.6%). The standard commercial variety DB7869 declined slightly from 2020, as it currently occupies 9.9% (1,691 ha) of the industry, the bulk of which is cultivated at Albion (1,386 ha). The most recent commercialized variety D 9824 currently occupies 338.1 ha across the industry while pre-commercials occupy 2,005 ha (11.8%).

Within the plant protection sections, there were no 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. The main activities of the Entomology section of the Plant Protection Unit (PPU), in 2021 centered on the monitoring and management of the Industry’s sugarcane pest and its established management programme across the industry.

Routine monitoring activities for the major pest species, i.e. the sugarcane rat *Holochilus brasiliensis*; were carried out on all Estates across the Industry. Through-out the year there were a few reports of outbreaks but not of threatening population to result in severe damages. The current weed management approach at GUYSUCO continues to emphasise pre-emergent or early post emergent herbicide applications. Screening new formulations and combinations, for efficacy and phytotoxicity continued at all Estates.

The objective of the Corporation’s Weed Control Policy continues to move towards Integrated Weed Management (IWM) thereby reducing the amount of chemical weed control (CWC) required. With more timely and improved methods of application, it is anticipated that the quantities of herbicides used will be reduced.

The Soil section continued to evaluate the effect of various nitrogen and potassium rates on the growth, yield and quality of sugarcane for different varieties. Evaluation of the performance, the use of varying fertilizer sources, rates and timing of applications and the effect on growth continued. The evaluation of the effects of stubble shaving after semi-mechanical harvesting on the growth, yield and quality of sugarcane began in 2021 at Uitvlugt Estate and has promising results.

2.1 Weather

2021 was a very wet year across the industry, following a dry 2020. Wetter than normal precipitation levels were experienced across the industry, which exceeded the established long term means for all locations. The mean annual rainfall across the industry was 2,952 mm and which was 44% above the established 66 year historical Long Term Mean.

Location	Annual rainfall 2020 (mm)	Annual rainfall 2021 (mm)	Annual rainfall 66 years mean (mm)
Albion	1,499	2,468	1,745
Blairmont	1,544	2,505	1,794
LBI/GARU	2,203	3,710	1,972
Uitvlugt	1,940	3,123	2,691
Industry Average	**1,796**	**2,952**	**2,050**

Table 9: Individual Location Total Rainfall for 2020 and 2021 and 66 Years LTM

All Estates experienced wetter than normal weather patterns during the primary rainfall season, due to the extension of La Nina conditions which commenced during the latter quarter of 2020. The months of May, June and December, particularly May, realized a significant total of 473 mm of rainfall for the industry compared to 268 mm for the historical mean, which was influenced significantly by increased levels of rainfall in the Berbice region.

As a consequence annually, there were periods of severe flood conditions particularly in Berbice, resulting in access dams, fields and surroundings areas being submerged and drainage systems overwhelmed and unable to cope with the situation.

Generally conditions experienced during the year negatively affected opportunities for tillage, husbandry and harvesting operations, resulted in significant economic losses in cane and sugar production and also resulted in heavy infrastructural damage.

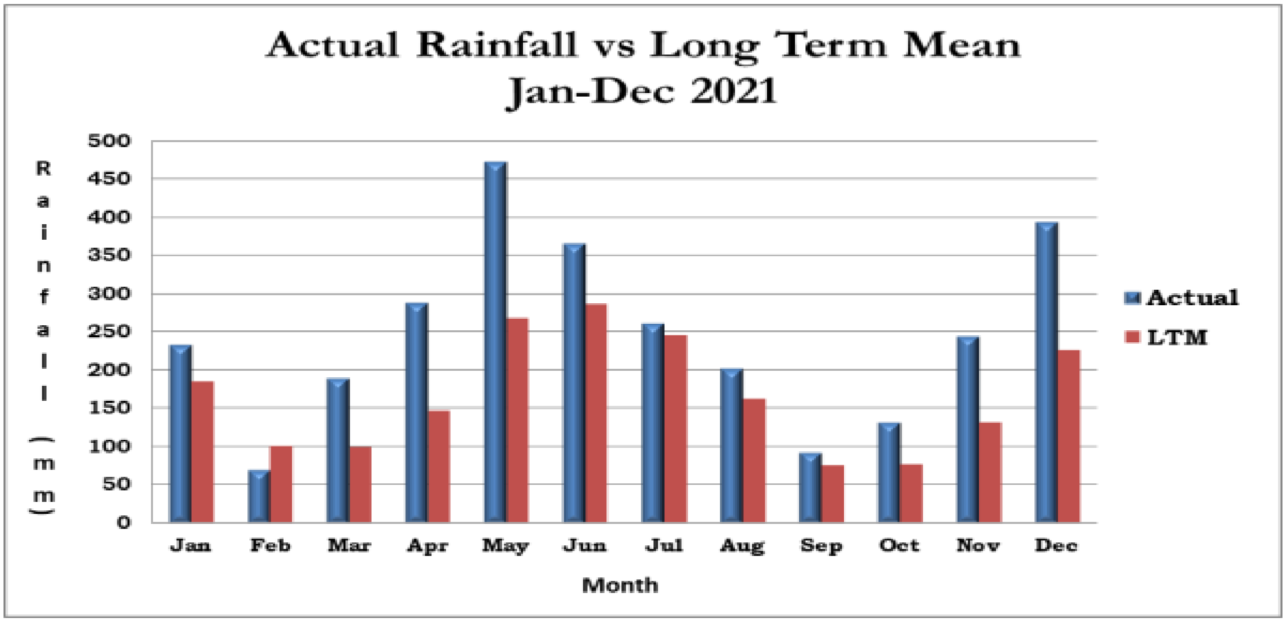

Table 10: Actual Rainfall vs Long Term Mean - 2021

2.2 Breeding and Selection

During this year, eight (8) weeks of active crossing resulted in the setting up of two hundred and twenty two (222) crosses inclusive of twenty (20) bi-parental, forty eight (48) high quality (HQ) and one hundred and fifty four (154) open poly crosses.

Seedling Raising

Twenty four thousand eight hundred and thirty three (24,832) seedlings comprising 15,225 D 2020, 1,489 D 2021 and 8,118 DB2019 seedlings were raised; this is a 52.1% reduction from 2020. Sowing was not carried out during the majority of the year because tillage constraints resulted in thousands of seedling being kept at the hardening area.

Demerara			Demerara Barbados		
Series	**Seedlings Raised**	**Seedlings Raised to-date**	**Series**	**Seedlings Raised**	**Seedlings Raised to-date**
2020	15,225	15,225	2019	8,118	8,118
2021	1,489	1,489	-	-	-

Table 11: Number of seedlings from the various series raised during the year and the total seedlings per series

Variety Development

The department commenced 2021 with 144,435 seedlings, 2,311 clones and 658 varieties at stage III. In addition, 125, 11 and 12 varieties were evaluated at stages IV, V and VI respectively. During the year 2,902 seedlings were advanced to stage II and 46 to stage III, 76 clones were advanced to stage III and 32 varieties were planted in formal trials. Eleven (11) stage IV varieties have shown commercial promise as such, they are being bulked up for multi-location evaluation (Stage V). Four (2) of the twelve (12) stage VI varieties were removed from further evaluation for commercialization due to smut susceptibility and poor performance.

Twenty thousand one hundred and ninety (20,190) seedlings were also planted for family and stage I evaluation.

Stage VI

Six (6) stage VI varieties namely D 98239, D 99325, DB9925, DB99590, DB9969, and DB99126 and were evaluated at the factory this year. Analysis of the data revealed the following findings:

- D 98239 yielded 15% TCH and 49% TSH more than the commercial standard DB7869 after three (3) cycles.
- DB9925 yielded 13.2% more TCH along with 24% more TSH than DB9314 after two (2) cycles.
- After two (2) cycles, DB99590 was comparable to DB7869, and 5.4% and 10.2% better than DB9314 for TCH and TSH respectively. It also yielded 1% TCH and 35% TSH more than DB75159 at the plant cycle.
- DB9969 yielded 7.9% more TSH than DB9633 after three (3) cycles of evaluation.
- DB99126 and DB9925 were evaluated at Albion for the first time and yielded 5% & 4% more TCH, and 25% & 29% more TSH than DB7869.

Position of Commercial varieties across the Industry

Variety D 9017 occupies the largest area in cane across the industry (22.6%) followed by DB9633 (16.6%). The standard commercial variety DB7869 occupies 9.9% (1,691.6 ha) the majority of which is cultivated at Albion (1,386.5) thus; there was a slight decline from 2020. Newly released variety D 9824 currently occupies 338.1 ha across the industry while 2,005.9 ha (11.8%) is stage VI varieties.

Relocation of GARU's cultivation

Relocation of the Breeding and Selection cultivation from CM 40 – 69 to LBI West field 18 to 78 continued with the planting of 6.9 ha. To date 39.2 ha of the 68.80 ha have been planted with germplasm and Stages I-IV. This activity was however terminated during the latter part of the year when 4.36 accessions at the first evaluation stage were destroyed by Central Housing and Planning Authority as the LBI West cultivation was taken.

Cane Breeding Workshop 2021

The annual Cane Breeding Workshop was held virtually on the 1st October thus allowing for the participation of all technical staff from the Breeding and Selection Department. The workshop included presentations from the various Variety Testing Stations (VTS) and reports from the West Indies Central Sugarcane Breeding Station (WICSCBS). Data handling, emergence of new smut strains and selection criteria were the major topics discussed.

Crossing
The D 2021 crossing programme commenced on September 21, 2021 and concluded on November 10, 2022. The eight (8) weeks of active crossing resulted in the setting up of two hundred and twenty two (222) crosses inclusive of twenty (20) bi-parental, forty eight (48) high quality (HQ) and one hundred and fifty four (154) open poly crosses. In this year's crossing two hundred and thirty two (232) distinct varieties inclusive of one hundred and three (103) Demerara, ninety six (96) Demerara Barbados and thirty three (33) foreign varieties were utilized.

Sex Identification
Sex identification using the stain method was done for fifty nine (59) of the varieties exploited in crossing programme. Twenty five (25) were identified as female, twenty four (24) male and ten (10) were classified as weak male and weak female.

Seedlings at GARU

Seedlings at GARU

2.3 Plant Protection

General Pest Monitoring & Management Activities
The main activities of the entomology section of the Plant Protection Unit (PPU) in 2021 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 no 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.

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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 4,519,576 Cotesia adults were produced in the laboratory from an average 80.5% laboratory parasitism and a male to female ratio of approximately 1:2. Ninety-seven percent (97%) of production or 4,400,310 adults were release in in the sugarcane eco-system. The year's releases resulted in an average 46.2% 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 (53.5%) and Albion (48.1%).

Monitoring Activity of *Metagonistylum minense* (Amazon fly)
Field monitoring activities in the form of monthly recoveries of the D. saccharalis host larvae, to monitor the activity of the established Bio-control agent - Metagonistylum minense (Amazon fly), was carried out throughout the year. An annual summary revealed an average 62.6% field parasitism level in GUYSUCO's sugarcane eco-system. Annual data from four Estates monthly recoveries of D. centrella species to determine Cotesia field parasitism also revealed an average 35% parasitism on this species by Amazon fly. Amazon fly parasitism on D. saccharalis and D. centrella continues to be evident. This supports and provides further evidence of the activity of this field established parasitoid, since the cessation of the broad spectrum insecticide spray programme. This policy has allowed for the successful restoration and ecological functions of natural Bio-diversity in the sugar-cane eco-system.

Rodent Monitoring & Management
Routine monitoring activities for the major pest species- the sugarcane rat Holochilus brasiliensis; were carried out on all Estates across the industry. Through-out the year there were a few reports of outbreaks but not of threatening population to result in severe damages. As a result of labour shortage on the Berbice Estates, adequate monitoring (especially baiting and hunting) was not achieved. 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 Estate, especially on the known rodent endemic Estate; Uitvlugt. From a total of 25,528 running ha surveyed across the industry an average 0.2% fresh stalk damage was revealed.

All locations experienced damages through-out the year with increased activity during rainy seasons. Most of the damages reported were associated with seasonal migrations. Strategic, prophylactic baiting was continuously carried out on all Estates guided mainly by; quantitative FSD 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 10,570 fields (44,394 ha) at an Industry average rate of 500 grams per ha. Hunting activities where and when carried out on Estates resulted in a total of 65,703 rats caught.

Extension & Training
Routine and un-schedule extension visits to Estates were carried out, by the Section, throughout the year, mainly as a result of and following Estates' request for pest infestation verification and technical assistance for solving pest and related management problems, as a result of isolated

upsurges in some major and minor pest species. Following visits, detailed reports including guidelines and recommendations for Estates actions/implementation were provided.

2.4 Weed Management

Management of Problem Weeds
Itch grass (*Rottboellia cochinchinensis*)
The eradication programme at Uitvlugt Estate continued during the year 2021 with *Rottboellia* plants still being found at different areas in the cultivations; as such, they were advised to conduct surveys since this problem weed need to be confined within the blocks they are found in for subsequent eradicated.

It should be noted that during the year 2021, 1,381 ha of Tanner grass were treated with glyphosate and 765.9 ha of rogueing were done, the total of which represents more than 75% of Uitvlugt ha. Further, 1,389.4 hectares of vines were also treated at Uitvlugt. However, due to the unavailability of Starane minimal work was done during the month of October while no work was done during the months of November and December.

Herbicide Evaluation

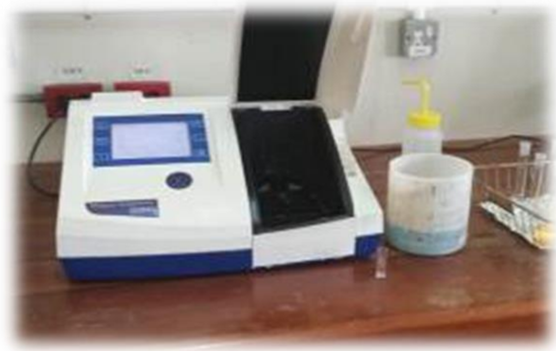
Flooded Field

2.5 Central Analytical & Environmental Monitoring Services

Thirty-six thousand nine hundred and thirty four (36,934) analyses were conducted on five thousand seven hundred and sixty-six (5,766) samples during the year. 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.

Description	Leaf Analyses	Soil Analyses	Sugar Analyses	Water Analyses	Misc. Analyses	Total Analyses
GUYSUCO	2,553	22,159	4,736	1,249	125	30,822
External Agencies	98	1063	6	2,692	447	4,296
Quality Control	563	265	546	190	252	1,816
TOTAL – 2021	**3,214**	**23,487**	**5,288**	**4,131**	**824**	**36,934**
TOTAL – 2020	3,644	16,922	5,104	2,626	382	28,678

Table 12: Analyses Completed in 2021 and 2020



The UV-Vis Spectrophotometer **The Atomic Absorption Spectrometer**

2.6 Quality Control

Training/Extension

The unit continued to provide technical assistance to the Estates by monitoring the operation of laboratory equipment and conducting (or facilitating the conduct of) maintenance and repair works, through the unit's Laboratory Analyst and Instrument Technician.

The following in house training for laboratory technicians were conducted:

- Operation of the Atomic absorption Spectrometer and the UV-VIS spectrophotometer.
- GY170:2009 Certification training on Documentation and implementation.
- Analytical chemistry training on Precision and Accuracy calculations.

Quality Control (Quality Assurance Programme)

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

Quality Control

The precision of several sugar and water analyses remained within acceptable ranges in 2021, as the unit maximized the use of quality control charts (QCC) in its quality assurance programme..

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Quality Assurance Annual Report

Over the years we have supported and have been an integral part of sugar production by giving technical, research and testing and analytical work to improve sugar yield and production. To improve our scientific research, analytical work and critical testing our laboratories aim is for accreditation. As a result there will be continuous improvement because of regular reassessment which will make continual improvements to the laboratory's operations.

The benefits of accreditation/certification would be national and international recognition of our laboratory's competence and increase customers confidence and our ability, while improving work processes and efficiency and it enables us to better compete with other laboratories. It is also a way of preventing mistakes and avoiding problems when delivering our services to customers.

Activities include the following:

Reviewing and correction of the following documents
SOP Handling of Test Item
SOP Corrective Action
SOP Non Conformance
SOP Calibration of Equipment
Reporting of Result
SOP Equipment
SOP Facilities and Environmental Condition
SOP Personnel
Quality Manual

Implemented

- Chain of Custody Form A
- Chain of Custody Form B
- Sample Submission Room
- Signs (Sample Submission Area)
- Direction for Sample Submission Area

Table 1: ISO Documents update

Documents	Activities	Implementation
Handling of test item	Reviewing of document and change to meet the new standard GYS 170:2009	Chain of Custody Form Sample Submission Area Placement of various signs
SOP Facilities and Environmental Condition	Reviewing of document and change to meet the new standard GYS 170:2009	Control charts. Secured laboratory access
SOP Result	Reviewing of document and change to meet the new standard GYS 170:2009	In place
SOP Calibration of Equipment	Reviewing of document and change to meet the new standard GYS 170:2009	Calibration forms
SOP Equipment	Reviewing of document and change to meet the new standard GYS 170:2009	Forms in placed
Quality Manual	Reviewing of document and change to meet the new standard GYS 170:2009	Completed
SOP Personnel	Reviewing of document and change to meet the new standard GYS 170:2009	In place
SOP Corrective Action	Reviewing of document and change to meet the new standard GYS 170:2009	Implemented
Documents	**Activities**	**Implementation**

SOP Non-conformance	Reviewing of document and change to meet the new standard GYS 170:2009	Implemented
SOP Management Reviews	Reviewing of document and change to meet the new standard GYS 170:2009	Implemented
SOP Document Control	Reviewing of document and change to meet the new standard GYS 170:2009	In place
SOP Internal Audit		

All documents are completed and reviewed. There was an Internal Audit conducted and all Non-conformances identified, will be address and the necessary corrective action is to be taken. At the end of January 2022 the National Bureau of Standard would be contacted to conduct an audit to determine the readiness for Certification of the Laboratories

2.7 Environmental Monitoring

Inlet and Effluent Streams

Physico-chemical monitoring of Estate inlet and effluent streams for agriculture and factory processing operations, irrigation and drainage water for agriculture operations, tailings pond samples for controlled waste discharge, intake and outlet water for factory processing and wastewater from agriculture and factory operations continued during 2021.

Cultivation Intake and Drainage

The quality of source water remained constant when compared previous averages, with some slight improvement in most parameters in 2021.

Sample Weighing Area

Resuscitated soil lab

3.0 FACTORY OPERATIONS

The year 2021 was very challenging due partly to the on-going COVID -19 pandemic, heavy rainfall and industrial action by workers. The second half year was severely affected by the unseasonal rainfall resulting in flooding of the cane cultivation at the three (3) grinding Estates; namely, Albion, Blairmont and Uitvlugt. Albion Estate was most affected by the flood since an estimated 70% of the canes were damaged as they were under water for over sixty (60) days. Whiles the overall factory performance was not as per expectation, primarily in the second crop; all efforts were made to achieve best desirable outcome in sugar production.

Sugar production realized for the year was 58,025 metric tonnes (mt) versus a budgeted sugar production of 79,620 MT; thereby, reflecting a decline of 27% or 21,595 MT. The contributing factors to this reduced production were as follows:

- Poor cane quality and inconsistent cane supply were the primary reasons for shortfall,
- Flooding at all three (3) sugar producing locations and more so at Albion,
- Industrial action by workers,
- Factory production time loss especially at Uitvlugt factory.

The shortage of harvesting equipment (tractors, bell loaders, punts, etc.), poor field infrastructure and inclement weather condition resulting in inconsistent cane supply and poor kill to mill time (Burning to Grinding Interval - BGI) affected factory performance. Further, inconsistent grinding pattern at all locations led to the depletion of bagasse stock, high consumption of diesel fuel and fire wood and lower overall recovery. Also, all of the factories are in need of capital investment to replace aged and worn out components in order to improve their mechanical reliability.

An ISO 9001:2015 surveillance audit was done in 2021 for Blairmont Estate and Head Office and there was no major non-conformity for consideration. Further, preparations are in progress so as to have Albion Factory, Uitvlugt Factory and Enmore Packaging Plant become ISO: 9001 certified in 2022.

Enmore Packaging Plant operations continued throughout the year using the two (2) available packing machines; whilst, spares for the third packaging machine were procured and installed but the machine was not put into operation. The packaged sugar contributed significantly to the company's revenue stream.

A five (5) years strategic business plan was crafted for the rebuilding and remodelling of the Industry and which included the re-opening of Rose Hall Estate. The business plan focused intensively on enhancing production of value-added packaged sugar whilst reducing the sale of raw bulk sugar thereby bringing viability to the sugar industry. Further, expanding of the packaging plant at Blairmont and constructing a new packaging plant at Albion are two (2) of the main capital investments to support this thrust.

The skills base in the factories remains weak; as such, in house training by Estate and Factory Operations Department were carried out in areas such as process control, planned maintenance, milling and boiler operations.

The Corporation's main focus going forward will be to improve factory efficiencies at the operating Estates; namely Albion, Blairmont and Uitvlugt so as to improve efficiency, production and productivity. The key areas that will be focused on include improving the factories average grinding time, mill extraction rate, factory time efficiency, boiling house and overall recovery. Efforts will also be made to maximise on bagasse utilization whilst minimizing the use of fossil fuel and fire wood. Engineering work standard and practices and sugar quality are also some focus areas identified for improvement.

3.1 Factory Efficiency

The weekly grinding time and overall recovery fluctuated due to inconsistent weekly grinding pattern and intermittent supply of poor quality canes. The parameters primarily affected were factory time efficiency (FTE), average weekly grinding time (AGT), burning to grinding interval (BGI) and overall recovery (OR). Blairmont factory performance stood out as the best in terms of factory time efficiency and boiling house recovery. Below table reflects the Factory Efficiency Parameters as compared with the Budget 2021.

EFFICIENCY PARAMETERS	ALBION		BLAIRMONT		UITVLUGT	
	Actual	Budget	Actual	Budget	Actual	Budget
Tonnes Cane Per Hour	167.77	168.00	102.18	102.00	104.58	105.00
Factory Time Efficiency	93.99	93.00	96.07	93.00	76.59	93.00
Pol Extraction	91.70	93.49	90.76	91.09	91.19	92.07
Bagasse Moisture	49.75	49.50	49.61	49.50	49.92	49.50
Final Molasses Purity	34.38	33.80	33.56	33.80	33.78	33.00
Boiling House Recovery	82.31	86.24	84.54	85.41	82.87	84.71
Overall Recovery	75.48	80.63	76.73	77.80	75.56	77.99
Sugar Pol	97.81	98.00	98.38	98.50	98.07	98.00
Pol % cane	8.80	10.23	9.43	10.47	9.03	9.11
TC/TS	14.73	12.47	13.59	12.52	14.61	14.49
BGI (0-48 hrs.)	**33.73**	**80.00**	**29.77**	**80.00**	**26.25**	**80.00**

Table 13: Factory Efficiency Parameters as compared with the Budget for 2021

LOCATION	Industrial Action (Hours)	Out of Cane (Hours)	Factory Time Loss (Hours)
Albion	332	1,875	139
Blairmont	81	2,254	108
Uitvlugt	92	2,468	572
Total	**504**	**6,597**	**819**

Table 14: Out of Cane and Factory Time Loss Hours

3.2 Production Time Loss

The main problems encountered and which resulted in production time loss for both crops on all the Estates can be found in below table.

Albion Factory	Failure of Bagasse, Mill Inter Carrier and Cane Carrier Chain Linkages.
	Failures of the No.3 Mill Inter Carrier Gear Box.
	Low Steam
Blairmont Factory	Failure of Bagasse Carrier Chain Linkages
	Failure of Cane Scale Load Cell
	Low Steam
Uitvlugt Factory	Failure of Auxiliary Cane Carrier Chain Linkages
	De-railing of Feeder Table Chain
	Malfunctioning of the Cane Carrier Control System

Several pieces of factory equipment are in a poor physical condition thereby creating possibilities of unnecessary production time loss because of insufficient capital investment. This also increases maintenance time and cost, loss of skilled and experienced employees and inconsistent cane supply resulting in erratic grinding pattern. This is not helpful to the recoveries and contributes towards more equipment wear, higher consumption of fire wood and diesel fuel.

Nevertheless, there were some developmental works which were carried out as follows:

- The cane receiving area at Albion was modified to facilitate off-loading of mechanically harvested canes from trucks on to the carrier and this arrangement has boosted cane supply to the factory.
- The steam distribution and utilization network for all the factories are being reviewed since good steam utilization will help to improve efficiencies and reduce consumption of diesel fuel during the grinding periods. Further, work has already started at Uitvlugt factory whereby modifications were made to the first vapour ring main to reduce heat and pressure loss in the system.
- A locally fabricated air heater was installed on No.3 Boiler at Uitvlugt to aid in the improvement in steam generation.
- Gradual replacement of mild steel pipes and storage receivers to stainless steel in the process stream has started. This is to help reduce insoluble solids in the sugar which adds to improvement of product quality.
- Worn bearing housing on No.1 Knife Turbine Gear Box at Albion was reconditioned at Central Workshop. This required innovations from the engineering team and has solved an age long problem of frequent bearing failures in the gear box during operation.
- Clarifier flocculant and magna floc was replaced with PT8120 which has faster settling rate and is more suited for canes with higher level of extraneous matter.

Capital investments during the year 2021 included the following:

- Major Overhaul to the No. 2 Diesel Generator at Albion
- New Factory Pumps for Albion
- Gear Box for Mill Inter Carrier and Bagasse Elevator at Albion
- Acquisition of Air Compressor and Lathe for Albion
- Rehabilitation of Sugar Wharf (Phase 1) at Blairmont

- Water Distiller for Factory Laboratory at Blairmont
- New Sewing Machine for Sugar Bags for Blairmont
- Replacement of No.3 and No.4 Boilers Chimney at Uitvlugt
- New Process Pumps for Uitvlugt
- Upgrade of Cane Carrier Control at Uitvlugt.

Cane Processing

Factory Process

4.0 MARKETING

The Marketing Department continued its focus on the overall mandate of the Corporation to provide quality service, conduct market research and place greater emphasis on of selling higher valued sugar (packaged) to ensure customers are satisfied with the product and the department's service despite the challenges posed such as the massive flood at Albion Estate and which affected sugar production, COVID-19 pandemic, etc. It should be noted that there were no new brands created in 2021.

GUYSUCO remained competitive in the regional and international markets notwithstanding increased competition from other sugar producing countries in CARICOM. However, the Corporation had to strategically shift its operational plan for 2021 with the decline in sugar production from the largest Estate (Albion); major adjustments had to be made to distribution and selling schedules.

Despite these challenges which affected the operations of GUYSUCO; the industry adapted well, and proved its resilience on the local, regional and international markets. The direct contributing factor which led to this resilience was the strategic change in the sales mix. This change saw an increase in sales in packaged sugar to the local, regional and international markets.

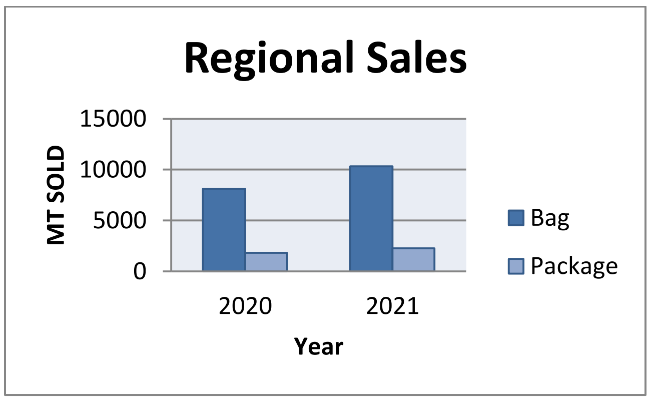
The local market was adequately supplied with both bagged and packaged sugar and customers were also given the option of collecting bagged and packaged sugar from the Demerara Sugar Terminal given its central location.

4.1 Export Sales

- **European Union**
  GUYSUCO with its strategic commitment to reduce exports to the European Union (EU) sold a total of **19,801 mt** in this market in 2021 and which is a decline from 2020 by **42% or 14,250 mt**; whereby, an amount of 34,051 mt was sold in 2020.

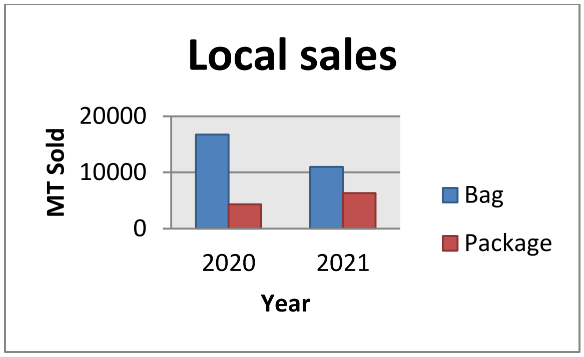
- **USA Market**
  There was no bulk sugar exported to the USA during 2021 and this was primarily due to the Corporation's low sugar production resulting from the flood experienced at Albion.

- **CARICOM and Regional Markets**
  The privilege of being a part of the CARICOM single market has allowed GUYSUCO to trade without restrictions to its sister countries within the region. The Corporation's total sales for this period to the region were **10,326 mt** bagged sugar and **2,258 mt** packaged sugar. There was an increase in the sale of both packaged and bagged sugars in the region when compared to the same period last year (2020) as shown in the chart below.



4.2 Local Market 2021

The marketing plan adopted in 2021 and which saw the change in the Corporation's sales mix; yielded much success. There was a significant increase in the sale of packaged sugars (some 2,000 MT) when compared to the previous year. 2021 saw the Corporation recording sales of 6,305 MT in packaged sugar. Conversely, the corporation saw a reduction in its sale of its bagged sugar, which was in keeping with the new marketing strategy. Bagged sugar sales, primarily to manufacturers were 10,971 mt.



4.3 Molasses

Molasses sales during the period were 17,568 metric tonnes to the local and regional market, with the main purchaser being Demerara Distiller Limited (local). Also, bottled molasses is steadily being consumed by the local market with over seventy five (75) cases sold during 2021.

5.0 INFORMATION SYSTEMS DEPARTMENT

The Information Systems Department continued to make steady progress in leveraging information technologies to support GUYSUCO's operations and management. The most prominent of these is the expansion of the use of mobile devices in the cultivation to capture and process cane harvesting information. This solution has now been expanded to three (3) of the five (5) harvesting gangs in operation at Albion Estate and will be expanded to the remaining two (2) gangs in the first crop of 2022.

The features of this internally developed tailored solution have also been expanded to include additional process support such as the following.

- Automatic generation and printing of punt tickets (previously prepared manually),
- Preparation of electronic "tag sheet" reports,
- Full support for the mechanical loading gang operations,
- Automatic matching and allocation of punt weight information from the weighbridge,
- Support for several other "ad hoc" field occurrences.

Further, the work in this initiative also included a review of the Mill Dock operations at Albion Estate to identify laborious manual processes that can be readily automated. The exercise led to the creation of system generated reports to replace a number of ledgers that were previously prepared manually.

These developments have already lead to vast improvements in the quality of data available for harvesting operations; including substantial reduction in the "man hours" required to process the data, prepare workers' payments, generate reports and easier analysis of harvesting related data.

Another noteworthy achievement for 2021 was the successful upgrade of our Oracle E-Business Suite applications without any external consultancy or assistance. The estimated cost for such implementation done by external parties would have been approximately G$85m (gathered from another firm for consultancy service for the same task). The cost amount clearly indicates the complexity of the task and hence the technical proficiency of the staff involved. This upgrade was necessary since Oracle declined support for the previously used version of the application as of January 1, 2022.

Other Major Achievements and Activities for 2021

- The department placed a lot of focus in 2021 on the management and sale of finished goods, i.e., our various sugars and molasses. With the company shifting its focus from mainly bulk sugar sales to increased marketing and sales of packaged sugar, it became necessary to strengthen the processes and IT support available for sugar inventory management and sugar sales.

  With the interventions implemented, the company can now generate (instead of manually preparing) accurate reports related to sugar inventory and sugar sales.

- Procurement and inventory management processes on the whole were strengthened; particularly in relation to purchasing and management of pharmaceuticals, medical supplies, and agro-chemicals.

- All payroll processing were efficiently handled throughout the year including the retroactive payment of the 7% across the board increase.

- There was increased focus on information security during the year. In this regard measures implemented included “hardening” of servers, software, and computers to make them less vulnerable to security breaches; review of system users’ accounts and user roles; conducting awareness sessions for system users; and building staff capacity.

- The annual review of the disaster preparedness was conducted in the first quarter of the year and the necessary updates were made. Subsequently, monthly testing was done on separate parts of the preparedness plans to confirm preparedness.

- Finally, the helpdesk continued to provide timely support as 4,725 support tickets were addressed during the year and 95% were resolved within the targeted resolution time.

In terms of staffing, the achievements and performance of the department attest to the technical proficiently and commitment of the staff of the Information Systems Department. Sadly, however, notices of resignation were received from five (5) staff towards the end of the year. The years of service of those persons ranged from six (6) to twenty three (23) years, thus their departure is a major blow to the department and GUYSUCO by extension. Nonetheless, there is still a number of experienced and capable staff to guide the department as it rebuilds its human capacity.

6.0 HUMAN RESOURCES DEPARTMENT

The Human Resources Department provides a sustained quality service to its internal and external customers by initiating and implementing appropriate human resources systems and suitable organization development projects, thereby creating an environment to facilitate the recruitment, development, motivation, and retention of our workforce, in enhancing GUYSUCO's quest to increase productivity and remain competitive in local and international markets.

The Department, in accordance to agreements, policies and legislations, ensures that every employee is paid a fair day's pay for a fair day's work. It endeavours to provide an attractive and competitive remuneration package and compensate jobs relative to its worth. Further, efforts continued to be made to select and recruit the best possible candidates in the shortest possible time, utilizing both the internal and external advertising media to fill vacancies as they arise. Accordingly, the Corporation is committed to providing promotional opportunities to its employees, based on the needs of the organization and the skills and competencies of the employees.

The table below indicates the various staff movements for the year 2021.

Process	No. of Persons
New Appointments	34
Resignations	17
Retirements	2
Early Retirements	4
Medical Discharge	1
Termination	1
End of Contract	5
Promotions	38
Transfers	20

Table 15: Staff Movements for the year 2021

6.1 Training

The Training Unit endeavoured to ensure that employees are furnished with the requisite information and skills they need to carry out their duties effectively and which will also positively impact the productivity of employees, improve their morale and build their confidence. During the year 2021, employees were exposed to a series of webinars and podcasts and twenty (20) or 39% of the fifty one (51) training courses listed in the 2021 Training Plan for Head Office completion were completed.

Further, training evaluation is conducted in 3 ways; namely, workshop evaluation, tests and on-the-job evaluation. Workshop evaluations were conducted for all training sessions and for the eleven (11) courses stated below, participants indicated that course objectives were met for 78.9% of the courses. Pre and post tests are conducted to measure the knowledge of participants before and after training on the respective subject. Tests were only administered for six (6) courses conducted and the average post test scores attained out of a total of 10 are indicated in below table.

No.	Name of Course	Number Trained	Average Score
1	Health & Wellbeing	53	7.1
2	Hazard Recognition & Control Measures – Risk Assessment	11	6.0
3	Human Resource Management	15	5.7
4	Food Safety & Quality Assurance	60	4.9
5	Requirements of ISO 9001:2015	22	7.2
6	Planning Organising & Executing Work	20	8.0

Table 16: Average post test scores attained out of a total of 10

Training programs conducted during 2021 can be found in below table.

Topics	Learning Outcomes	No. of Participants
Health & Wellbeing	(i) Define and effectively execute their Occupational Health & Safety responsibilities (ii) Spread awareness for prevention of diseases	53
Doing What Matters in Times of Stress	(i) Cope with adversity and support people's mental health	13
Employees Relations	(i) Explain the communication and conflict resolution mechanisms (ii) Interpret provisions in the collective bargaining agreements (iii) List the steps/stages of the Grievance & Disciplinary Procedures (iv) Administer penalties using the Disciplinary Code of Guide	14
Hazard Recognition & Control Measures: Risk Assessment	(i) Identify hazards in the workplace (ii) Complete risk assessments in the workplace (iii) Identify improvement measures to reduce identified risks	11
Human Resource Management	(i) Define Human Resource Management and differentiate from Personnel Management (ii) Outline the key elements of Human Resource Management (iii) Relate their involvement as line managers	15
Food Safety & Quality Assurance	(i) Interpret and apply prerequisite programmes to develop or improve food safety in GUYSUCO factories.	60
The Requirements of ISO 9001:2015	(i) Describe ISO 9001:2015 Standard, including sections on evaluation and feedback for the purpose of system improvement (ii) Outline the requirements of departments and the Company (iii) Explain the route to certification	9
Hyundai Excavators R210: Safety & Operations In-Field Practical	(i) Use and maintain excavators and ensure safety	28

Topics	Learning Outcomes	No. of Participants
First Aid	(i) Demonstrate basic First Aid skills (ii) Explain the fundamental principles of First Aid (iii) Use new techniques in rendering First Aid	11
Processing of NIS Sickness & Injury Claims	(i) Explain the various tasks associated with NIS Sickness and Injury Desks in the Human Resources Department at Head Office and at the Estates (ii) Process NIS Sickness & Injury Claims in keeping with established SOP's	22
Planning, Organising & Executing Work	(i) Utilise project management techniques (ii) Schedule work hourly, daily, etc. to avoid procrastination (iii) Indicate steps to be taken to improve productivity	20
Occupational Safety & Health	(i) Know the different types of work at height and their risks (ii) Identify the most common sources of risk and how to prevent them (iii) Understand the obligations of the employer in relation to health and safety at work.	6

Table 17: Training by topics, learning outcomes and number of participants

Additionally, training completed that are not listed in the 2021 Training Plan and which were facilitated by external agencies include the following:

- **The Practice of Human Resource Management.**
  Conducted on August 16, 2023 and facilitated by CAGI was attended by the Assistant Human Resources Managers & Human Resource Supervisor from Head Office.
- **The System of Industrial & Labour Relation & the Law.**
  Conducted on September 22, 2023 and facilitated by CAGI was attended by the Assistant Human Resources Managers and Industrial Relations Officer Designate.
- **Administrative Secretarial Support.**
  Conducted on October 7, 2023 and facilitated by CAGI was attended by the Secretary for PCMD.
- **Financial Management for Non-Financial Managers.**
  Conducted on November 24, 2023 and facilitated by CAGI was attended by Estate Managers.

Training needs analysis was conducted so as to inform on training needs using the following data sources:

- Senior Staff job descriptions were examined for functional and managerial competencies.
- Estate Managers and Heads of Departments determined shortcomings in competencies for staff in their departments and indicated these to the Training Unit.
- Training needs indicated on acting performance evaluation forms.
- Additional training needs indicated at training sessions held and those who scored below 50% on post-tests.

Induction
Induction programmes were conducted for thirty four (34) new employees during the year 2021. Employee induction is an effective and efficient means of outlining workplace policies and procedures to new starters, for providing specific information new employees need to know to do their job, and for setting expectations within the larger context of company goals, objectives and the business operation as a whole. The induction process serves to welcome new hires to the business and help them transition into their new role; enabling new employees to feel supported while they adjust. The new employee may be able to add value to the business sooner if they can hit the ground running.

Management Trainees
Entering the world of management can be a difficult and long process for persons; as such, management trainees are brought into an organization with the sole intent of being trained and prepared for a future management role within the company. Needless to say, the experience and training provided throughout these programs can be invaluable, equipping candidates with a comprehensive view of the business as well as its needs. During the year 2021, seven (7) persons were recruited for this program and they were placed on eighteen (18) months of management training. However, during the period two (2) of those persons resigned.

Assistance to study
The Corporation assisted two (2) employees with an amount of $97,600 to pursue studies in the following short courses:

- Diploma in Business Management & Human Resources – Organisation Design Development & Performance.
- Business Management & Human Resources.

6.2 Medical Services

The GUYSUCO Medical Department aims to provide an efficient and effective primary healthcare service to its beneficiaries; namely, pensioners and current employees and their dependents. These services will be provided through its two (2) diagnostic centres (Ogle and Rose Hall) and the eleven (11) Primary Health Care Centres (PHCCs). There was a modest contraction in the number of attendances to the various PHCCs as compared to the previous year.

The year 2021 was characterized by several challenges including the abrupt attrition of medical staff, cessation of pharmaceutical purchases and continuation of coronavirus pandemic,

Achievements for 2021
Notwithstanding the challenges of 2021; the medical services made some significant achievements.

- Firstly, the sudden and profound staff attrition at the ODC was managed by the recruitment of ably qualified individuals. This building of human resources is instrumental in strengthening the service’s ability to meet its mandate.
- Secondly, new and more cost effective Haematology and Chemistry analysers were bought for the ODC laboratory. The ODC has never had any automated Haematology

analyser since all analysis of blood samples were being done manually. Now ODC can provide this most basic aspect of a medical examination on its clientele.

- Thirdly, the tendering process was completed with selection of the preferred supplier for a Haematology Analyser for the RHDC – this shall be bought in 2022.
- Fourthly, approvals were obtained and tendering process commenced for repairs to the ODC and RHDC buildings. These buildings have been in disrepair for decades. The repair work shall be done in 2022.

Highlights for 2021

- Attendance: there were a total of 39,113 attendances (visits) to all PHCCs with total cases of 58,945.
- Disease trend: Hypertension and Diabetes Mellitus remained as the two (2) most common diseases.
- COVID-19: A total of eight hundred eighty-four (884) tests for COVID-19 were done by employees. Among these, 23.8% (210) were confirmed positive for Sars-Cov-2 (this is a significant increase (4100%) from 2020 when five (5) persons tested positive). Three (3) employees died (0.3% death rate) from the severe form of the disease – one (1) each from ICBU, Head Office (LBI) and Rose Hall.
- A total of 3,573 medical examinations were done across the Industry for 2021 and which included 2,058 scheduled medical exams
- The GUYSUCO Medical Board was convened a total of seven (7) times in 2021 and evaluated 42 patients.
- During 2021, a total of sixty four (64) COVID-19 Vaccination Drives were held across the industry whereby a total of 6,120 persons were vaccinated against COVID-19.

The Medical Department continued to collaborate with the Ministry of Health to facilitate COVID-19 vaccination drives across the Industry to mitigate the effects of the pandemic on employees and their dependents. The Medical Service also continued to provide the usual technical support of evaluation of persons with suspected COVID-19 and contact tracing of employees who tested positive for COVID-19.

Further, the Head Office COVID-19 task force was re-vitalized and regular updates on COVID-19 were provided and a COVID-19 manual was crafted and released through the CMO's office in an effort to provide clear technical guidance to the Corporation since it outlined the protocols and procedures for handling of the COVID-19 pandemic. COVID-19 claimed the lives of three (3) employees, including one (1) medical staff of LBI PHCC during 2021.
An analysis of the top ten (10) medical conditions (by highest number of cases) seen across all PHCCs for the year 2021 can be found in below table and which indicates Hypertension and Diabetes Mellitus as the two (2) most common diseases;

Rank	Medical Conditions	Number of Cases
1	Hypertension	12,275
2	Diabetes	7,250
3	Hyper-Lipidemia	3,353
4	Osteo-Arthritis	3,301

5	Obesity	2,373
6	Respiratory Tract Infection	2,139
7	Skin Diseases	1,640
8	Back Injury/Pain	1,620
9	Peptic Ulcer Disease	1,437
10	Ischemic Heart Disease	1,008

Table 18: Top 10 Medical Conditions seen at all PHCCs according to number of cases in 2021

While the year 2021 may be described as a challenging year with the continuation of the COVID-19 pandemic whereby significant of time were spent doing contact tracing, following up of affected employees, etc. the Medical Service Department will continue to strive for excellence in service delivery.

6.3 GUYSUCO Training Centre/Port Mourant (GTC/PM)

GTC/PM showed immense commitment to continue face to face learning amid the dreadful COVID-19 virus in 2021. A regular training day is filled with co-curricular, as well as extra-curricular activities geared towards moulding and nurturing our young apprentices in becoming the skilled artisans needed to drive the Industry towards sustainability.

Unlike many other technical schools in Guyana, whose main focus was solely on E-Learning, GTC/PM stood out, due to the fact that we have not radically changed our instructional model but rather have many synchronized classroom sessions delivered by our experienced staff to our trainees to meet the needs of the sugar industry.

Twenty-seven (27) second year apprentices from the 2019 second phase recommenced their training at GTC/PM on February 03, 2021. A programme was developed for the training of the unskilled workers at Rose Hall Estate (RHE) between November to December 2021.

The following were some training sessions that were done during 2021:

- The Guyana Technical Education Examination (GTEE) commenced on January 06, 2021.
- GTC/PM commenced the six (6) months training of forty-four (44) trainees from Guyana Defence Force (GDF) on February 08, 2021 and this was concluded on August 20, 2021.
- The batch of Apprentices from 2019 second phase wrote the Guyana Technical Education Examinations (GTEE) during the period September 15 to 28, 2021.
- The batch of Apprentices from 2019 second phase returned home with instructions to report at their respective Estate locations to continue their in-plant training on October 02, 2021.

Highlights for 2021

- Hon. Dr. Ashni Singh, Senior Minister of Finance and team paid a courtesy visit to GTC/PM on November 06, 2021.
- Six (6) Sugar Boiler apprentices commenced their training in sugar processing at GTC/PM on November 15, 2021.
- Representatives (Trade Commissioners) from the Canadian High Commission visited GTC/PM on November 15th 2021.
- The six (6) weeks heavy duty tractor operator training for Albion Estate commenced on November 29, 2021.
- The CTVET conducted training for all staff on Entrepreneurship Education and Curriculum Implementation (EECI) at GTC/PM during December 20 to 31, 2021.
- No training was conducted via the National Training Programme for Youth Empowerment (NTPYE) in 2021.

The following is a summary of the 2021 craft apprentices' recruitment and selection.

Estates	**Number of Applicants**	**Number of applicants who took the examination**	**Number of candidates shortlisted for interview**	**Number of Candidates Interviewed**	**Amount selected**	**Reserve**
Skeldon	17	16	13	13	10	2
Albion	94	73	22	21	12	2
Rose Hall	21	20	19	19	10	2
Blairmont	27	23	16	16	11	1
Enmore	25	17	13	13	8	0
Uitvlugt	30	24	14	14	9	2
Total	214	173	97	96	60	9

However, only apprentices from the following Estates commenced their craft training at GTC/PM in September 2021

- Albion: 12
- Rose Hall: 13
- Blairmont: 11
- Uitvlugt: 7

Total: 43

REPORT OF THE DIRECTORS

For the year ended 31st December, 2021

The Directors of the Guyana Sugar Corporation Inc. present their report together with the audited financial statements for the year ended 31st December, 2021.

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 46.

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

Directors

The names of the Directors are set out on page 3. All 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 13.2.2 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 and for the financial years 2017 to 2021, 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

AUDITED FINANCIALS

10 YEARS SUGAR PRODUCTION

Estate	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Albion	24,822	42,205	46,652	57,486	45,563	46,771	61,910	51,294	47,257	54,022
Blairmont	19,806	27,916	25,325	29,245	27,096	33,000	36,695	33,499	28,528	36,224
Uitvlugt	13,397	18,748	20,279	17,910	15,459	15,330	16,432	13,916	13,907	16,922
Rose Hall	-	-	-	-	22,381	20,581	29,768	31,931	28,098	34,429
Skeldon	-	-	-	-	14,303	31,783	39,157	35,890	25,544	33,309
EDE	-	-	-	-	12,495	19,341	27,095	30,932	20,676	23,908
Wales	-	-	-	-	-	16,809	20,014	18,898	22,744	19,255
Total	**58,025**	**88,868**	**92,256**	**104,641**	**137,298**	**183,615**	**231,071**	**216,359**	**186,755**	**218,068**

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AG: 82/2023

23 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 2021

Disclaimer of Opinion

Chartered Accountants Ram & McRae Chartered Accountants have audited on my behalf the financial statements of the Guyana Sugar Corporation Incorporated, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and the 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 – 39.

I do not express an opinion on the 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 (2020 $4.025 billion). 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.

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/ payable 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.

I draw attention to the statement of financial position which indicates the Corporation has accumulated deficit of $126.614 billion as at 31 December 2021. The validity of the going concern basis on which the 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.

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 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 2021. 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 Matter

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 Matter

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

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AUDITOR GENERAL

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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, 2021

We have audited the financial statements of Guyana Sugar Corporation which comprise of the statement of financial position as at December 31 2021, 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 (2020 $4,025 Mn.) 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. 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.

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

6. 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.

7. We draw attention to the Statement of Financial Position which indicates that the Corporation has accumulated deficit of $126,614 Mn. as at December 31, 2021. The validity of the going concern basis on which the 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.

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 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, 2021. 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 annually, 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 charged 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

GUYANA SUGAR CORPORATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		COMPANY	
	NOTES	2021 $M	2020 $M
ASSETS			
Non current assets			
Property, plant and equipment	5	32,243	29,522
Investments	7.1	1,538	1,203
Total non current assets		**33,781**	**30,725**
Current assets			
Inventories	8.1	1,911	1,850
Standing cane	8.2	1,626	2,074
Product stock	8.3	258	533
Trade receivables		373	500
Other receivables		2,778	2,841
Prepayments		1,124	488
Cash on hand and at bank	9.1	1,664	2,886
Total current assets		**9,733**	**11,173**
TOTAL ASSETS		**43,514**	**41,898**
EQUITY AND LIABILITIES			
Shareholder's equity			
Stated capital	10	10,800	10,800
Revaluation reserve	11.1	13,503	13,503
Other reserves	11.2	5,370	5,036
Accumulated deficit		(126,614)	(118,806)
Total equity		**(96,942)**	**(89,468)**
Non current liabilities			
Deferred tax liability	6	18,198	18,198
Borrowings	12	17,240	17,240
Employees retirement benefits	14	19,349	19,349
Total non-current liabilities		**54,787**	**54,787**
Current liabilities			
Trade payables		10,676	9,560
Other payables and accruals		53,632	45,714
Related parties	13.1	2,189	2,166
Taxation		4,025	4,025
Borrowings	12	15,146	15,146
Bank overdraft(secured)	9.2	-	(33)
Total current liabilities		**85,668**	**76,578**
TOTAL EQUITY AND LIABILITIES		**43,514**	**41,898**

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

J. D. 20/3/2023
Director

Director

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

GUYANA SUGAR CORPORATION INC.

STATEMENT OF COMPREHENSIVE INCOME

AS AT DECEMBER 31, 2021

	NOTES	COMPANY	
		2021	2020
		$M	$M
Revenue	15	8,165	9,967
Cost of sales		12,802	11,225
Gross loss		**(4,637)**	**(1,258)**
Other income		1,302	1,558
Administrative expenses		(1,934)	(3,175)
Other gains and losses		-	-
Marketing and distribution expenses		(723)	(729)
Vested Estates -Wales	15.1	(207)	(602)
Prior year adjustment to other reserves		-	-
Operating loss		**(6,198)**	**(4,207)**
Finance cost		(1,613)	(1,655)
Employees retirement benefits	14	-	(585)
Income from subsidiary and others		3	13
Loss before tax	16	**(7,808)**	**(6,434)**
Taxation	18	-	-
Loss for the year		**(7,808)**	**(6,434)**
Other Comprehensive income:			
		-	-
Net (loss)/gain on revaluation of investments		335	75
Net loss on revaluation of non-current asset		-	-
Other comprehensive income net of tax		**335**	**75**
Total comprehensive loss for the year		**(7,474)**	**(6,359)**
Basic loss per share in dollars	23	**(0.69)**	**(0.59)**

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

GUYANA SUGAR CORPORATION INC.
STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2021

Company

	Notes	Stated Capital	Revaluation Reserve	Other Reserves	Retained Earnings	Total Equity
		$M	$M	$M	$M	$M
Balance at January 1, 2020		10,800	13,503	4,939	(112,372)	(83,131)
Other comprehensive income						
Prior year adjustment to other reserves		-	-	75		75
Revaluation Adjustment			-	22	-	22
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	(118,806)	(89,468)
Other comprehensive income		-	-	335		335
Prior year adjustment to other reserves			-	-	-	-
Loss/Profit for the year		-	-	-	(7,808)	(7,808)
Total comprehensive income for the year		-	-	335	(7,808)	(7,474)
Balance as at December 31, 2021		10,800	13,503	5,371	(126,614)	(96,942)

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

GUYANA SUGAR CORPORATION INC.

STATEMENT OF CASHFLOWS

AS AT DECEMBER 31, 2021

	COMPANY	
OPERATING ACTIVITIES	2021 $M	2020 $M
Loss before Tax	(7,808)	(6,434)
Adjustments for:		
Depreciation and write down of assets	573	414
Loss on disposal of property, plant and equipment	1	2
Net Interest	1,613	1,655
Income from subsidiary and others	(3)	(13)
Operating profit/(loss) before working capital changes	(5,625)	(4,376)
Increase/(Decrease) in inventories	(60)	(805)
Decrease/(Increase) in standing cane	448	(366)
Decrease/(Increase) in product stocks	275	733
Increase/(Decrease) in accounts receivable,prepayments	(446)	(1,193)
Increase/(decrease) in amounts due from related parties	0	383
Decrease in accounts payable and accruals	2,060	5,781
Increase/(decrease) in amounts due to related parties	22	50
Increase in defined benefit pension liability	-	585
Cash generated from operations	(3,326)	791
Interest paid	(1,613)	(1,655)
Taxes paid/adjusted	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(4,939)	(862)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,298)	420
Proceeds from sale of property, plant and equipment	-	-
Dividends received from investments	3	4
NET CASH USED IN INVESTING ACTIVITIES	(3,295)	424
FINANCING ACTIVITIES		
Proceeds from Borrowing	-	
Proceeds from NICIL/SPU	3,608	2,050
Loan Repayments	-	(20)
Proceeds from Government	3,437	3,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	7,045	5,030
Increase/(decrease) in cash and cash equivalents	(1,189)	4,592
Cash and cash equivalents at beginning of the period	2,853	(1,740)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,664	2,853
CASH AND CASH EQUIVALENT COMPRISED OF:-		
Cash on hand and at bank	1,664	2,886
Bank overdraft(secured)	-	(33)
	1,664	2,853

"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.

GUYANA SUGAR CORPORATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021

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.

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

3.13 Translation of foreign currency

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

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

3.14 Presentation currency

The financial statements have been presented in Guyana dollars.

3.15 Provisions

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

3.16 Skeldon Sugar Modernisation Project (SSMP)

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

3.17 Basis of consolidation

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

3.18 Basic earnings per share

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

3.19 Borrowing costs

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

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, 2021	189	21203	6753	1137	1617	20204	1811	52,914
Transfers	0	0	0	4	86	365	(455)	0
Additions			0	0	0	0	3298	3,298
Interestate Transfers						0		0
Disposals			(4)	0		0	0	(4)
Adjustments			0	0	0	0	0	0
Reclassifications	0	0				0		0
As at December 31, 2021	189	21,203	6,749	1,141	1,703	20,569	4,654	56,208
Comprising:								
Cost	189	(15,990)	(3,686)	1,141	1,703	17,348	4,654	5,359
Valuation		37,193	10,435		-	3,221	-	50,849
	189	21,203	6,753	1,137	1,617	20,204	1,811	56,208
Depreciation								
As at Jan 01, 2021	178	-	2,827	672	903	18,813	-	23,393
Charge for the period	0	0	109	34	79	351	0	573
Interestate Transfers	0	0	0	0	0	0	0	0
Prior year adjustment	0	0	0	0	0	0	0	0
								0
								0
As at December 31, 2021	178	-	2,936	706	982	19,164	-	23,966
Net book value								
As at December 31, 2021	11	21,203	3,814	435	721	1,405	4,654	32,243
As at Jan 01, 2021	11	21,203	3,926	465	714	1,391	1,811	29,522

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

5.2 LEASEHOLD LANDS

Leasehold land represents 72% of land used to derive economic benefits by the company. 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 company 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	
	2021	2020
	$M	$M
Deferred tax liability		
Property, plant and equipment	14,965	14,965
Standing cane	3,233	3,233
	18,198	**18,199**

Movement in temporary differences

	Balance at Jan 1, 2021	Balance at Dec 31, 2020
Deferred tax liability		
Property, plant and equipment	14,965	14,965
Standing cane	3,233	3,233
	18,198	**18,198**

7. INVESTMENTS

7.1 Investments

	COMPANY	
Available for sale:	**2021 $M**	**2020 $M**
Republic Bank Limited	1,535	1,200
Sagicor	3	3
	1,538	**1,203**

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

7.2 INVESTMENT IN SUBSIDIARY

Lochaber Limited

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

7.3 Non controlling interest - not updated

At January 1
Share of loss
At December 31

8. CURRENT ASSETS

8.1 Inventory categories	COMPANY 2021 $M	COMPANY 2020 $M
Fuel	75	71
Spares	1,143	1,785
Fertilizers and chemicals	1,080	452
Other	331	260
Gross Inventories	2,629	2,568
Less collectively assessed provision for slow moving and obsolete items	(718)	(718)
Net Inventories	1,911	1,850

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 (2020- $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 2021 $M	COMPANY 2020 $M
Balance as at January 01	2,074	1,707
Adjustment to cost of sales	(448)	367
Balance as at Dec 31	1,626	2,074

Standing Cane by Age

Age of Cane	COMPANY 2021 Hectares	COMPANY 2020 Hectares	COMPANY 2021 $M	COMPANY 2020 $M
1-5 Months	8,338	9,166	-	-
6 Months	929	186	39	5
7 Months	968	883	92	57
8 Months	1,045	1,326	178	147
9 Months	823	1,247	212	288
10 Months	1,242	2,029	358	699
11 Months	1,043	907	347	359
12 Months	1,034	1,231	401	520
	15,424	16,976	1,626	2,074
Farmers' price per tonne of sugar			$ 84,786	$ 57,832

	COMPANY Farmers' Prices	Tones Sugar (TS) Values	Standing Cane Value (Farmers Price@TS Values)
2020	57,832	35,867	2,074,254,767
2021	84,766	19,184	1,626,181,110
	26,934.90		448,073,657

The value of standing cane decreased by 22% due to low yields from the canes damaged by the 2021 Floods which caused a decline in the sugar produced.

Standing cane relates for the three sugar estates were valued.

8.3 Product stock categories	COMPANY 2021 $M	COMPANY 2020 $M
Sugar	112	195
Molasses	134	326
Livestock	12	12
	258	533

9. CASH AND CASH EQUIVALENTS

9.1 Cash on hand and at bank	2021	2020
GYD Dollar	1,549	2,786
US Dollar (Current a/c)	124	100
GBP	0	-
Euro	(8)	-
	1,664	2,886

9. CASH AND CASH EQUIVALENTS (cont'd)

9.2 Bank overdraft (secured)

	COMPANY	
	2021 $M	2020 $M
Guyana Dollar(a)	-	(33)
(a) These comprised of:-		-
(i) Guyana Bank for Trade and Industry Limited	-	-
(ii) Republic Bank Guyana Limited	-	-
(iii) Demerara Bank Limited	-	(33)
(iv) Bank of Nova Scotia	-	-
	-	(33)

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.

10. STATED CAPITAL

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

11. RESERVES

	COMPANY	
11.1 Revaluation reserve	2021 $M	2020 $M
Revaluation of fixed assets	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	
	2021 $M	2020 $M
1. Amounts received by the Corporation from the Sugar Industry Special Funds for rehabilitation work carried out on the Corporation's factories.	25	25
2. Monies received from the Government of Guyana for the purpose of financing projects in the Corporation's diversification	-	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
4. Adjustment of investments to reflect fair value	1,531	1,179
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
	5,370	5,036

12 BORROWINGS

		COMPANY	
		2021 $M	2020 $M
12.1 Current			
a) Government of Guyana Drainage and Irrigation financed by CDB		244	244
b) Consortium of local banks		961	961
c) Government of Guyana Debenture		144	144
d) Government of Guyana SSMP		6,433	6,433
e) Government of Guyana SSMP financed by CDB		1,978	1,978
f) Government of Guyana SSMP financed by EXIM Bank		5,373	5,373
g) Guyana Rice Development (Seed Paddy Project loan)		13	13
Total current loans		15,146	15,146
12.2 Non Current			
a) Government of Guyana Drainage and Irrigation financed by CD 0.705669	629	585	585
b) Government of Guyana SSMP		9,189	9,189
c) Government of Guyana SSMP financed by CDB		3,627	3,627
d) Government of Guyana SSMP financed by EXIM Bank		3,839	3,839
Total non- current loans		17,240	17,240
Repayments due in one year and included in current liabilities		15,146	15,146
Repayment due within 2-5 years		2,826	2,826
Repayment due after five years		14,414	14,414
		17,240	17,240

12.3 Interest on Non Current Borrowings

Interest Accrued on Non Current Borrowings	COMPANY	
	2021 $M	2020 $M
a) Government of Guyana Drainage and Irrigation financed by CDB	289	264
b) Government of Guyana SSMP	10,995	10,082
c) Government of Guyana SSMP financed by CDB	2,843	2,596
d) Government of Guyana SSMP financed by EXIM Bank	4,849	4,429
Total Interest Accrued	18,977	17,371

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 instalments. The first disbursement was received in July 2002. The maturity date of the loan is June

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 instalments. A grace period of 3 years was granted in 2010 on the repayments by the Government of Guyana. The first disbursement was received in March 2005. The maturity date of the loan is February 2027.

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

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 instalments. 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

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 instalments. 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

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.

13 RELATED PARTIES

13.1 Amounts due to related parties

	COMPANY 2021 $M	2020 $M
Government of Guyana - Lease rentals	599	567
Sugar Industry Labour Welfare Fund	1,590	1,599
	2,189	2,166

13.2 Related parties transactions

13.2.1 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 2,021 $M	2,020 $M
Short term employee benefit	131	118

13.2.2 Directors' fees and expenses

	COMPANY 2021		2020	
	Fees $000	Expenses $000	Fees $000	Expenses $000
Directors				
Mr. John Dow	0	-	469	-
Mr. Ramesh Persaud	0	-	132	-
Mr. Claude Housty	0	-	233	-
Mr. Roy Hanoman Singh	295	-	295	-
Mr. Paul Cheong	60	-	60	-
Mr. Nowrang Persaud	0	-	221	-
Mr. Fritz McLean	0	-	221	-
Mr. John Browman	0	-	221	-
Mr. Richard Nigel Cumberbatch	0	-	245	-
Mr. Vishu Panday	0	-	221	-
Mr. Pravinchandra Dave	128	-	128	-
Mr. George Jervis	0	-	221	-
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	-
	1,372	-	3,556	-

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

14 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 2019 by Bacon Woodrow & De Souza. The present valuation of the defined benefit obligation and the related current service cost were measured by the actuaries at 31 December 2019 using the Projected Unit Credit Method.

	2021				2020			
	Retirement Medical	STEPS Scheme	Ex Gratia Scheme	Total	Retirement Medical	STEPS Scheme	Ex Gratia Scheme	Total
	$M	$M	$M	$M	$M	$M	$M	$M
14.1 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	12,554	22,377	35,505
Fair value of assets	0	(15,307)		(15,307)	0	(15,307)		(15,307)
(Surplus)/Deficit	**574**	**(2,763)**	**22,377**	**20,198**	**574**	**(2,753)**	**22,377**	**20,198**
Effect of Asset Ceiling		0	0			0	0	
Net defined benefit liability/(Asset)	**574**	**(2,753)**	**22,377**	**20,198**	**574**	**(2,753)**	**22,377**	**20,198**
14.2 Reconciliation of opening and closing defined benefit liability								
Opening Defined Benefit Liability/(Asset)	574	(1,654)	19,843	18,190	574	(1,654)	19,843	18,190
Net Pension Cost	0	199	1,674	1,873	0	199	1,674	1,873
Re-measurements	0	(1,122)	1,391	269	0	(1,122)	1,391	269
Less company contribution/benefits paid	0	(176)	(805)	(982)	0	(176)	(805)	(982)
Closing defined benefit liability/(Asset)	**574**	**(2,753)**	**22,102**	**19,349**	**574**	**(2,753)**	**22,102**	**19,349**
14.3 The amounts recognized as staff costs in the Statement Of Income are as follows:								
Current service cost	0	306	507	813	0	306	507	813
Net interest on net defined benefit liability/(Asset)	0	(109)	1,167	1,058	0	(109)	1,167	1,058
Past Service Cost/(Credit)	0	0	0	0	0	0	0	0
Administrative Expenses	0	0	0	0	0	0	0	0
Net Pension Cost	**0**	**197**	**1,674**	**1,871**	**0**	**197**	**1,674**	**1,871**
14.4 Actual return on Plan Assets								
Expected return on Plan assets	0	396	0	396	0	396	0	396
Actuarial (Gain)/loss on Plan Assets/ Interest Income	0	858	0	858	0	858	0	858
Actual return on Plan Assets	**0**	**1,254**	**0**	**1,254**	**0**	**1,254**	**0**	**1,254**

14.5 Actuarial assumptions	2021	2020
(i) Funded Scheme		
Discount rate	6%	6%
Salary increases	6%	6%
Pension increases	5%	5%
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			
	2021	2020	2019	2018	2021	2020	2019	2018
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Experience History								
Defined benefit obligation	22,377	22,377	19,843	19 166	12,554	12,554	12,826	13 015
Fair Value Plan Assets	0	0	0	0	(15,307)	(15,307)	(14,529)	(13,843)
(Surplus)/Deficit	22,377	22,377	19,843	19,166	(2,753)	(2,753)	(1,854)	(829)
Experience Adjustment on Plan Liabilities	1,665	1,665	(108)	(1,518)	(445)	(445)	(509)	(535)
Experience Adjustment on Plan Assets	0	0	0	0	858	858	815	703
Expected Company Contributions in 2021	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.

14 **EMPLOYEES RETIREMENT BENEFITS (cont'd)**

15.6 Asset Allocation

	2021	2020
Equity Securities	18.20%	18.20%
Debt Securities	24.20%	0.00%
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

15 REVENUE

	COMPANY	
	2021 $M	2020 $M
Revenue by products		
Sugar	7,088	8,482
Molasses	1,077	1,485
Co-generation Electricity	-	-
Total Sales	8,165	9,967
Revenue by major markets		
Europe	2,170	2,348
North America	6	2,031
Caribbean	1,394	1,023
Guyana	4,535	4,515
Other Markets	61	50
	8,165	9,967

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.

15.1 VESTED ESTATES.

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

	COMPANY	
	2021 $M	2020 $M
16 LOSS BEFORE TAXATION	(7,808)	(6,434)
After charging -		
Employment Costs		
Wages, salaries & other	9,742	9,698
Social security contributions	0	0
Employees retirement benefits	0	585
Materials and services purchased	4,304	4,977
Research and development expenses	0	0
Directors' fees & expenses	4	4
Depreciation	573	414
Auditors' remuneration-audit services	4	4
Interest expense -	1,613	1,655
After crediting		
Available for sale income (Republic Bank dividends)	3	13

17 TAXATION

Reconciliation of corporation tax expense and accounting loss:

	2021 $M	2020 $M
Accounting loss	(7,808)	(6,434)
Corporation tax @30%	(2,343)	(1,930)
Add: Tax effect of expenses not deductible in determining taxable profits		
Depreciation for accounting purposes	172	124
Defined benefit pension cost	0	176
	(2,171)	(1,630)
Deduct:		
Depreciation for tax purposes	-	-
Standing Cane	-	-
Tax losses	-	-
	(2,171)	(1,630)
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 equ should the revaluation surplus be realised upon disposal of the revalued assets. This is because the Corporation does not intend to dispose of other than in the normal course of business.

18 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

COMPANY

	2021			
	Available for sale	Loans and Receivables	Financial Assets and Liabilities at Amortised cost	Total
ASSETS	$M	$M	$M	$M
				0
Investments	1,538	-	-	1,538
Trade receivables	-	373	-	373
Other receivables and prepayments	-	3,903	-	3,903
Cash on hand and at bank	-	-	1,664	1,664
Total assets	1,538	4,276	1,664	7,477
LIABILITIES				
Employees retirement benefit	-	-	19,349	19,349
Trade payables	-	-	10,676	10,676
Other payables	-	-	53,632	53,632
Related parties	-	-	2,189	2,189
Borrowings	-	-	32,388	32,388
Taxation	-	-	4,025	4,025
Bank overdraft(secured)	-	-	-	-
Total liabilities	-	-	122,258	122,258

	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
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	-	-	45,715	45,715
Related parties	-	-	2,166	2,166
Borrowings	-	-	32,386	32,386
Taxation	-	-	4,025	4,025
Bank overdraft(secured)	-	-	(33)	(33)
Total liabilities	-	-	113,168	113,168

19 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	COMPANY	
	2021	2020
	$M	$M
Expenditure authorised by the Directors		
Capital expenditure	7,941	5,290

The capital expenditure for 2021 was to be funded by a combination of facilities lent by the Government of Guyana, provided by other suppliers of finance and from self generated funds.

Contrary to previous practice, the Commissioner of Internal Revenue in 2000 sought to assess the Corporation on additional income for the years of assessment 1995, 1996 and 1997 arising from the remission of sugar levies by the Government of Guyana for the years 1994, 1995 and 1996. The Corporation does not accept this amended tax treatment and objected to the computations on the grounds that the levies have been correctly treated for tax purposes. No provision has been made in the financial statements for taxation arising from any such computations.

20 PENDING LITIGATION

There are several actions for which the liability of the company, if any, has not been determined. The maximum potential liability at the end of the year is estimated at $111M (2020 $349M)

21 FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's management monitors and manages the financial risk relating to the operations 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 company 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 company'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.

21 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market Risk (cont'd)

(i) Foreign currency risk

Foreign currency sensitivity analysis

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The following table details the company'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	
	2021	2020	2021	2020	2021	2020
	$M	$M	$M	$M	$M	$M
Profit/(loss)	(40.55)	(9.20)	(0.32)	(0.30)	0.04	0.04

21 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 company is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

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	2021 Maturing Within 1Year	1 to 5 years	Over 5 years	Non - Interest bearing	Total
Assets		$M	$M	$M	$M	$M
Investments		-	-	-	1,538	1,538
Trade receivables					373	373
Other receivables and prepayments		-	-	-	3,903	3,903
Cash and cash equivalents	3.75	1,664	-	-	-	1,664
		1,664	-	-	5,813	7,477
Liabilities						
Employees retirement benefits		-	-	-	19,349	19,349
Trade payables		-	-	-	10,676	10,676
Other payables					53,632	53,632
Related parties		-	-	-	2,189	2,189
Borrowings	9.50	15,146	-	17,242	-	32,388
Taxation		-	-	-	4,025	4,025
Bank overdraft(secured)	9.50	-	-	-	-	-
		15,146	-	17,242	89,872	122,258
Interest sensitivity gap		(13,482)	-	(17,242)		

COMPANY		2020 Maturing Within 1 Year	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

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

(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.

21 FINANCIAL RISK MANAGEMENT (cont'd)

Credit risk

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

	Company	
	Maximum exposure	
	2021	2020
	$M	$M
Cash on hand and at bank	1,664	2,886
Investments	1,538	1,203
Investment in subsidiary	-	-
Trade, other receivables and prepayments	4,276	3,829
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

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	
	2021	2020
	$M	$M
Trade and other receivables (excluding prepayments)	3,151	3,341

The above balances are classified as follows:

Current	185	185
Past due but not impaired	2,966	3,156
	3,151	3,341

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

Past Due up to 29 days	1,750	412
Past Due 30 - 59 days	360	203
Past Due 60 - 89 days	1,653	513
Past Due 90 - 179 days	5	121
Past Due over 180 days but less than 1 year	853	353
Past Due more than 1 year	739	1,739
	5,360	3,341
Collectively assessed provision for bad debts	-	-

22 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

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	
	2021	2020
	$M	$M
Debt (i)	32,386	32,354
Cash in hand and at bank	(1,664)	(2,886)
Net debt	30,722	29,467
Equity (ii)	(96,942)	(89,468)
Net debt to equity ratio	0.32:1	0.75:1

(i) Debt is defined as long- and short-term borrowings and bank overdraft.
(ii) Equity includes all capital and reserves of the company

23 Basic loss per share

	COMPANY	
	2021	2020
	$	$
Profit/(Loss) for the year	(7,808,424,267)	(6,433,951,400)
	Units	Units
Ordinary share issued and fully paid	10,799,571,775	10,799,571,775
Basic Profit/(loss) per share	(0.72)	(0.60)
	GROUP	
	2021	2020
Profit/(Loss) attributable to equity holders of the parent	(7,473,924,267)	(6,358,951,400)
Ordinary share issued and fully paid	10,799,571,775	10,799,571,775
Basic Profit/(loss) per share	(0.69)	(0.59)