NEW GUYANA MARKETING CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

220/PC: 46/2/2009

23 November 2009

Mr. Nizam Hassan
General Manager
New Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Mr. Hassan,

RE: AUDIT OF NEW GUYANA MARKETING CORPORATION
FOR THE YEAR 2008

Please find attached three copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE

J. Dillon
Audit Manager (ag.)
For Auditor General (ag.)

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 87/2009

23 November 2009

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NEW GUYANA MARKETING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2008

Chartered Accountants Nizam Ali & Company have audited on my behalf the financial statements of New Guyana Marketing Corporation for the year ended 31 December 2008, as set out on pages 2 to 13. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Managementi s responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the New Guyana Marketing Corporation as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1991.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 (i) to the financial statements. Management has represented to us that the Corporation is exempt from Corporation and Property taxes. We are unable to ascertain the necessary authority that gives legal effect to this exemption. Management is in the process of establishing this authority. The Corporation has not paid any Corporation or Property taxes since its formation and no provision for such taxes has been made in these financial statements.

AUDIT OFFICE
OF GUYANA

D. SHARMA
AUDITOR GENERAL (ag.)

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

Nizam Ali & Company
Chartered Accountants

215 'C' Camp Street
North Cummingsburg.
Georgetown.
Guyana

Tel: (592)-227-8825
Tele/Fax: (592)-225-7085
E-mail: nizamali@gol.net.gy

REPORT OF CHARTERED ACCOUNTANT
NIZAM ALI & COMPANY
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF NEW GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER, 2008

We have audited the accompanying financial statements of New Guyana Marketing Corporation which comprise the balance sheet as at December 31, 2008 and the statements of net loss, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2008 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1991.

Emphasis of matter

Without qualifying our opinion we draw attention to note 2(i) to the financial statements. Management has represented to us that the Corporation is exempt from Corporation and Property taxes. We are unable to ascertain the necessary authority that gives legal effect to this exemption. Management is in the process of establishing this authority. The Corporation has not paid any Corporation or Property taxes since its formation and no provision for such taxes has been made in these financial statements.

Nizam Ali & Company
Chartered Accountants
Georgetown, Guyana
October 12, 2009

New Guyana Marketing Corporation
Balance Sheet
As at December 31, 2008
With comparative figures for 2007
(Expressed in Guyana Dollars)

	Notes	2008 $	2007 $
Assets			
Property, plant and equipment	3(i)	51,062,220	37,006,223
Current assets			
Inventories	4	3,304,190	1,371,515
Receivables and prepayments	5	7,523,848	3,620,584
Cash on hand and at bank	6	606,725,961	42,169,541
		617,553,999	47,161,640
Total assets		668,616,219	84,167,863
Current liabilities			
Payables and accruals	7	3,559,660	4,184,788
Deferred Income	8	604,999,000	-
		608,558,660	4,184,788
Equity			
Government of Guyana		25,102,348	25,102,348
Capital reserves	3(ii)	11,945,965	11,945,965
Retained earnings		23,009,246	42,934,762
		60,057,559	79,983,075
Total equity and liabilities		668,616,219	84,167,863

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

These financial statements were approved by the Board of Directors on October 12, 2009, and signed on its behalf by:

Geoffrey D Silva

Director

Director

New Guyana Marketing Corporation
Statement of Net Loss
For the year ended December 31, 2008
With comparative figures for 2007
(Expressed in Guyana Dollars)

	Notes	2008 $	2007 $
Sales		168,180,431	11,452,366
Cost of sales	9	(162,845,290)	(9,421,579)
Operating income		5,335,141	2,030,787
Other income		10,131,637	18,702,755
Government grant		89,019,967	49,167,000
		104,486,745	69,900,542
Expenses			
Administrative	11	(85,182,001)	(60,135,962)
Selling and distribution	10	(38,958,234)	(2,146,321)
Financial	12	(272,026)	(117,439)
		(124,412,261)	(62,399,722)
Net loss for the year		(19,925,516)	7,500,820

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

New Guyana Marketing Corporation
Statement of Changes in Equity
For the year ended December 31, 2008
With comparative figures for 2007
(Expressed in Guyana Dollars)

	Government of Guyana $	Capital Reserves $	Retained Earnings $	Total $
Year ended December 31, 2008				
As at beginning of year	25,102,348	11,945,965	42,934,762	79,983,075
Net income	-	-	(19,925,516)	(19,925,516)
As at end of year	25,102,348	11,945,965	23,009,246	60,057,559
Year ended December 31, 2007				
As at beginning of year	25,102,348	11,945,965	35,433,942	72,482,255
Net income	-	-	7,500,820	7,500,820
As at end of year	25,102,348	11,945,965	42,934,762	79,983,075

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

New Guyana Marketing Corporation
Statement of Cash Flows
For the year ended December 31, 2008
With comparative figures for 2007
(Expressed in Guyana Dollars)

	2008 $	2007 $
Cash flows from operating activities		
Net loss for the year	(19,925,516)	7,500,820
Adjustment for:		
Depreciation	2,977,814	1,407,674
Operating income before working capital changes	(16,947,702)	8,908,494
Increase in inventories	(1,932,675)	(368,416)
Increase in receivables and prepayments	(3,903,264)	(3,222,475)
(Decrease) increase in payables and accruals	(625,128)	1,418,021
Increase in deferred income	604,999,000	-
Net cash inflow from operating activities	581,590,231	6,735,624
Investing activities		
Acquisition of property and equipment	(17,033,811)	(21,589,934)
Net cash outflow from investing activities	(17,033,811)	(21,589,934)
Net increase (decrease) in cash and cash equivalents.	564,556,420	(14,854,310)
Cash and cash equivalents at the beginning of the year.	42,169,541	57,023,851
Cash and cash equivalents at the end of the year.	606,725,961	42,169,541

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

1. **Incorporation and business activities**

The principal activity of the Corporation is the facilitation and exportation of non-traditional fresh and processed agricultural products.

2. **The significant accounting policies are:**

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The Corporation's accounting policies conform with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain judgements, estimates and assumptions concerning the future. The most significant of these arise on the determination of the retirement benefit plan liability and the estimation of the expected useful lives of property, plant and
In the current year, IFRS 7 , 'Financial Instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial instruments-Capital disclosures', introduces new disclosures relating to financial instruments but does not have any impact on the classification and valuation of the Corporation's financial instruments.

The following interpretations to publish standards are effective from the current financial year but they are not expected to be relevant to the Corporation's operations:

IFRIC 7 Applying the restatement approach under IAS 29, financial reporting in hyperinflationary economies.
IFRIC 8 Scope of IFRS 2
IFRIC 9 Re-assessment of embedded derivatives.
IFRIC 10 Interim financial reporting and impairment
IFRIC 11 IFRS 2 - Group and treasury share transactions.
IFRIC 12 Service concession
IFRIC 13 Customer loyalty programmes
IFRIC 14 IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interactions.

The following standard, amendment and interpretations to existing standards have been published but are not expected to have a material implication on the Corporation's financial statements:

IAS 23 Borrowing cost amendment
IFRS 8 Operating segments
IAS 1 (Revised) Presentation of financial statements
IFRS 5 Non current assets held for sale
IAS 36 (Revised) Impairment of assets
IAS 19 (Revised) Employee Benefits

2. Significant accounting policies (Cont'd)

(b) Property, plant and equipment

Properties are recorded at cost or at independent professional valuations less accumulated depreciation. Other fixed assets are stated at cost less accumulated depreciation.

Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of net income.

Increase in the carrying amount arising on revaluation of properties are credited to capital reserve in equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of net income.

Freehold building and other fixed assets are depreciated on a straight line basis at rates estimated to write off the assets over their expected useful economic lives. Assets acquired during the year are depreciated from the date of acquisition.

Current rates of depreciation are:

Building	2% per annum
Machinery and Equipment	10% per annum
Furniture and Fittings	12.50% per annum
Motor Vehicles	25% per annum

(c) Inventories

Inventories are valued at the lower of the cost and net realisable value with cost being determined on a first-in-first-out basis.

(d) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposit held on call with bank and other bank balances.

(e) Revenue recognition

Revenue is recognised upon the delivery of goods and performance of services and the acceptance by customers.

(f) Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Significant accounting policies (Cont'd)

(g) Foreign Currencies

Transactions involving foreign currencies are translated at the exchange rates ruling at the dates of these transactions. At the balance sheet date, all assets and liabilities denominated in foreign currencies are translated to Guyana dollars at the exchange rate ruling at that date. Gains and losses arising from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of net income.

(h) Retirement Benefit Plan

The Corporation operates a defined contribution pension plan administrated by Clico Life and General Insurance Company (S.A.) Limited. The Corporation's contributions are charged to the statement of net income.

(i) Government grants

Government grants received to compensate the Corporation's costs are recognised in the Statement of Net Income in the period in which these costs are incurred.

(j) Impairment of long-lived assets

In accordance with best practice, long lived assets, such as plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognised as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(k) Taxation

This Corporation is exempted from corporation and property tax.

3(i). Property, plant and equipment

	Land	Building	Machinery & Equipment	Furniture & Fittings	Motor Vehicles	Total
	$	$	$	$	$	$
Cost						
At 1 January 2008	3,458,037	22,794,332	15,844,968	9,777,892	2,983,095	54,858,324
Additions	-	14,945,232	1,031,311	1,057,268	-	17,033,811
Disposal	-	-	(695,000)	-	-	(695,000)
At 31 December 2008	3,458,037	37,739,564	16,181,279	10,835,160	2,983,095	71,197,135
Accumulated depreciation						
At 1 January 2008	-	3,546,839	6,503,833	4,818,334	2,983,095	17,852,101
Charges for the year	-	596,721	1,621,219	759,874	-	2,977,814
Write back on disposal	-	-	(695,000)	-	-	(695,000)
At 31 December 2008	-	4,143,560	7,430,052	5,578,208	2,983,095	20,134,915
Net book value						
At 31 December 2008	3,458,037	33,596,004	8,751,227	5,256,952	-	51,062,220
Net book value						
At 31 December 2007	3,458,037	19,247,493	9,341,135	4,959,558	-	37,006,223

3(ii). The freehold land and building were revalued in 1989 based on professional advice received, the surplus of $ 11,945,965 arising out of this revaluation has been credited to capital reserves.

3(iii). Included in land and building is an amount of $ 60,729 representing the value of a building situated on land owned by the Government of Guyana.

4. Inventories

	2008	2007
	$	$
Goods for resale	3,304,190	1,371,515

5. Receivables and prepayments

	2008	2007
	$	$
Trade receivables	206,616	11,890
Sundry receivables	6,770,814	3,608,694
Prepayments	546,418	-
	7,523,848	3,620,584

6. Cash and deposits

	2008	2007
	$	$
Cash in hand and bank	606,725,961	42,169,542

7. Payables and accruals

	2008	2007
	$	$
Sundry creditors	-	236,670
Accruals	3,559,660	3,942,359
Trade creditors	-	5,758
	3,559,660	4,184,787

8. Deferred Income

This represents:

(i) Unutilized Capital Subsidy of five million dollars; and

(ii) Fertilizer Subvention received on September 18, 2008, to be used for purchasing of fertilizer for resale to farmers at a subsidized cost.

9. Cost of sales

	2008	2007
	$	$
Opening stock	1,371,515	1,003,099
Purchases	164,777,965	9,789,995
	166,149,480	10,793,094
Less closing stock	(3,304,190)	(1,371,515)
	162,845,290	9,421,579

10. Selling and distribution

	2008	2007
	$	$
Advertising	8,556,959	2,052,321
Local exhibition	30,401,275	94,000
	38,958,234	2,146,321

11. Administrative

	2008	2007
	$	$
Audit fees	1,400,620	1,218,375
Depreciation	2,977,814	1,407,674
Donations	387,428	429,529
Electricity	2,891,271	1,776,249
Employment cost	37,967,060	25,430,886
Export documents	2,500	4,500
General expense	4,083,461	1,295,493
Insurance	522,400	425,794
Internet and telex charges	-	53,720
Legal fees	50,000	58,000
Meals and entertainment	860,628	1,342,837
Office expenses	11,057,431	12,085,637
Packaging and wrapping	616,372	60,710
Rates and taxes	284,504	322,426
Rental	1,694,855	1,429,025
Repairs and maintenance	8,993,288	3,634,696
Security	2,857,105	1,233,318
Stationery and printing	3,556,356	4,550,861
Subscription	182.022	4,160
Telephone	1,114,808	742,773
Transportation and traveling	3,404,149	2,317,352
Consultancy	15,000	316,460
Custom duties	15,000	19,000
Suspense a/c	247,928	(23,513)
	85,182,001	60,135,962

12. Financial

	2008	2007
	$	$
Bank charges	242,440	117,439
Bank interest	29,586	-
	272,026	117,439

13. Government Grant

	2008	2007
	$	$
Subsidy Capital	14,000,000	10,200,000
Subsidy - Monthly Subvention	46,075,294	38,967,000
Flour Subvention	17,973,673	-
Bee Congress Subsidy	8,770,000	-
Grow More Subsidy	5,000,000	-
Agro Fest Subsidy	2,200,000	-
Fertilizer Subvention	600,000,000	-
	694,018,967	49,167,000

14. Directors emoluments

	2008	2007
	$	$
Remuneration for serving as Directors		
G. Da Silva - Chairman	30,000	35,000
E. Rodney		8,000
Ms. Vilma Da Silva	24,000	28,000
Dr. Leslie Chin	24,000	28,000
T. Ramnauth		4,000
B. Singh		4,000
O. Homenauth	24,000	28,000
P.Persaud	24,000	20,000
J. Ramnauth		4,000
R. Ali	24,000	20,000
D. Doodnauth	24,000	20,000
B. Sears	24,000	20,000
K. Somaroo	24,000	16,000
R. Singh	24,000	20,000
R. Raggernauth		4,000
Rajdai Jagarnauth		12,000
V. Piers	24,000	4,000
S. Naughton	24,000	4,000
N. Dharanlalli	24,000	4,000
	318,000	283,000

15. Key management personnel

Five (5) individuals are considered as key management personnel. During the year remuneration paid to these individuals amounted to G$12,488,500 (2006-G$7,091,526).

16. Financial risk management

(i) Liquidity risk

The contractual undiscounted cashflows associated with the Corporation's financial liabilities of $3,559,660 (2007-$4,184,787) are expected to fall due within 3 months of the balance sheet date. The Corporation manages its exposure to liquidity risk by projecting expected cashflows and managing financing to meet temporary short falls in cash flows.

As at the year end, accounts receivable of $6,977,430 (2007 - $3,620,584) were neither past due nor impaired and were fully performing. None of the accounts receivable that are fully performing were renegotiated during the year. Management considers the credit risk on the balances due from third parties to be minimal given the nature of the items.

(iii) Foreign currency risk

The Corporation's exposure to foreign exchange risk is limited by the denomination of the underlying transaction in stable foreign currencies. At Balance Sheet date there were no assets or liabilities denominated in foreign

(iv) Fair value

The following table presents the carrying amounts and estimated fair values of the Corporation's financial instruments.

	2008		2007	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents (1)	606,725,961	606,725,961	42,169,542	42,169,542
Accounts receivable and prepayments (2)	7,523,848	7,523,848	3,620,584	3,620,584
Financial liabilities				
Accounts payable and accrued liabilities (2)	3,559,660	3,559,660	4,184,787	4,184,787

(1) Recorded at market value.
(2) Recorded at amortised cost. The fair value of accounts receivable, accounts payable and accrued liabilities is equivalent to the carrying amount given the short maturity period.

(v) Interest rate risk

The Corporation is not exposed to interest rate risk since none of its instruments are interest bearing.

AUDITED FINANCIAL STATEMENTS OF THE NEW GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2009

CONTRACTED AUDITORS: NIZAM ALI & CO.
215 'C' CAMP STREET
NORTH CUMMINGBURG
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
NEW GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2009

TABLE OF CONTENTS

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

204/AG: 77/2010/96 29 September 2010

Mr. Nizam Hassan
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Mr. Hassan,

RE: AUDIT OF THE FINANCIAL STATEMENTS FOR THE
NEW GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2009

Please find attached eight (8) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE GUYANA

J. Dillon(Mrs.)
Audit Manager (ag.)

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 61/2010 29 September 2010

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE NEW GUYANA MARKETING CORPORATION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Chartered Accountants Nizam Ali and Company have audited on my behalf the financial statements of New Guyana Marketing Corporation for the year ended 31 December 2009, as set out on pages 2 to 13. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, work papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects of the financial position of New Guyana Marketing Corporation as at 31 December 2009 and of its financial performance and its cash flows for the year then ended in conformity with International Financial Reporting Standards and the Companies Act 1991.

Emphasis

Without qualifying my opinion, I draw attention to note 2 (k) to the financial statements. Management has represented to me that the Corporation is exempt from Corporation and Property taxes. I am unable to ascertain the necessary authority that gives legal effect to this exemption. Management is in the process of establishing this authority. The Corporation has not paid any Corporation and Property taxes since its formation and no provision for such taxes has been made in these financial statements.

AUDIT OFFICE
GUYANA

D. SHARMA
AUDITOR GENERAL (ag.)

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

Nizam Ali & Company
Chartered Accountants
215 'C' Camp Street
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REPORT OF CHARTERED ACCOUNTANT
NIZAM ALI & COMPANY
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF NEW GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER, 2009

We have audited the accompanying financial statements of New Guyana Marketing Corporation which comprise the statement of financial position as at December 31, 2009 and the statements of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1991.

Emphasis of matter

Without qualifying our opinion we draw attention to note 2(k) to the financial statements. Management has represented to us that the Corporation is exempt from Corporation and Property taxes. We are unable to ascertain the necessary authority that gives legal effect to this exemption. Management is in the process of establishing this authority. The Corporation has not paid any Corporation or Property taxes since its formation and no provision for such taxes has been made in these financial statements.

Nizam Ali & Company
Chartered Accountants
Georgetown, Guyana
September 23, 2010

New Guyana Marketing Corporation
Statement of Financial Position
As at December 31, 2009
With comparative figures for 2008
(Expressed in Guyana Dollars)

	Notes	2009 $	2008 $
Assets			
Property, plant and equipment	3(i)	53,176,012	51,062,220
Current assets			
Inventories	4	1,542,872	3,304,190
Receivables and prepayments	5	8,095,876	7,523,848
Cash on hand and at bank	6	669,653,470	606,725,961
		679,292,218	617,553,999
Total assets		732,468,230	668,616,219
Current liabilities			
Payables and accruals	7	4,665,365	3,559,660
Deferred Income	8	672,628,706	604,999,000
		677,294,071	608,558,660
Equity			
Government of Guyana		25,102,348	25,102,348
Capital reserves	3(ii)	11,945,965	11,945,965
Retained earnings		18,125,846	23,009,246
		55,174,159	60,057,559
Total equity and liabilities		732,468,230	668,616,219

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

These financial statements were approved by the Board of Directors on Sept 23rd 2010, and signed on its behalf by:

Geffrey Da Silva
Director

Director

New Guyana Marketing Corporation
Statement of Comprehensive Income
For the year ended December 31, 2009
With comparative figures for 2008
(Expressed in Guyana Dollars)

	Notes	2009 $	2008 $
Sales		28,848,195	168,180,431
Cost of sales	9	(23,806,972)	(162,845,290)
Operating income		5,041,223	5,335,141
Other income		10,974,593	10,131,637
Government grant		210,101,611	89,019,967
		226,117,427	104,486,745
Expenses			
Administrative	11	(73,336,461)	(85,182,001)
Selling and distribution	10	(157,422,478)	(38,958,234)
Financial	12	(241,888)	(272,026)
		(231,000,827)	(124,412,261)
Net loss for the year		(4,883,400)	(19,925,516)

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

New Guyana Marketing Corporation
Statement of Changes in Equity
For the year ended December 31, 2009
With comparative figures for 2008
(Expressed in Guyana Dollars)

	Government of Guyana $	Capital Reserves $	Retained Earnings $	Total $
Year ended December 31, 2009				
As at beginning of year	25,102,348	11,945,965	23,009,246	60,057,559
Net loss	-	-	(4,883,400)	(4,883,400)
As at end of year	25,102,348	11,945,965	18,125,846	55,174,159
Year ended December 31, 2008				
As at beginning of year	25,102,348	11,945,965	42,934,762	79,983,075
Net loss	-	-	(19,925,516)	(19,925,516)
As at end of year	25,102,348	11,945,965	23,009,246	60,057,559

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

Guyana Marketing Corporation
ment of Cash Flows
he year ended December 31, 2009
comparative figures for 2008
ssed in Guyana Dollars)

	2009 $	2008 $
from operating activities		
	(4,883,400)	(19,925,516)
he year	3,458,138	2,977,814
r:		
before working capital changes	(1,425,262)	(16,947,702)
e) in inventories	1,761,318	(1,932,675)
ables and prepayments	(572,028)	(3,903,264)
in payables and accruals	1,105,705	(625,128)
income	67,629,706	604,999,000
operating activities	68,499,439	581,590,231
nd equipment	(5,571,930)	(17,033,811)
vesting activities	(5,571,930)	(17,033,811)
h equivalents.	62,927,509	564,556,420
he beginning of the year.	606,725,961	42,169,541
e end of the year.	669,653,470	606,725,961

...rt of these financial statements.

New Guyana Marketing Corporation
Statement of Cash Flows
For the year ended December 31, 2009
With comparative figures for 2008
(Expressed in Guyana Dollars)

	2009	2008
	$	$
Cash flows from operating activities		
Net loss for the year	(4,883,400)	(19,925,516)
Adjustment for:		
Depreciation	3,458,138	2,977,814
Operating loss before working capital changes	(1,425,262)	(16,947,702)
Decrease/(Increase) in inventories	1,761,318	(1,932,675)
(Increase) in receivables and prepayments	(572,028)	(3,903,264)
Increase/(Decrease) in payables and accruals	1,105,705	(625,128)
Increase in deferred income	67,629,706	604,999,000
Net cash inflow from operating activities	68,499,439	581,590,231
Investing activities		
Acquisition of property and equipment	(5,571,930)	(17,033,811)
Net cash outflow from investing activities	(5,571,930)	(17,033,811)
Net increase in cash and cash equivalents.	62,927,509	564,556,420
Cash and cash equivalents at the beginning of the year.	606,725,961	42,169,541
Cash and cash equivalents at the end of the year.	669,653,470	606,725,961

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

1. **Incorporation and business activities**

The principal activity of the Corporation is the facilitation for exportation of non-traditional fresh and processed agricultural products.

2. **The significant accounting policies are:**

(a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention. The Corporation's accounting policies conform with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain judgements, estimates and assumptions concerning the future. The most significant of these arise on the determination of the retirement benefit plan liability and the estimation of the expected useful lives of property, plant and equipment.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2009, and have not been applied in preparing these financial statements. None of these will have a significant impact on the financial statementso f the Corporation.

2. Significant accounting policies (Cont'd)

(b) Property, plant and equipment

Properties are recorded at cost or at independent professional valuations less accumulated depreciation. Other fixed assets are stated at cost less accumulated depreciation.

Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Increase in the carrying amount arising on revaluation of properties are credited to capital reserve in equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income.

Freehold building and other fixed assets are depreciated on a straight line basis at rates estimated to write off the assets over their expected useful economic lives. Assets acquired during the year are depreciated from the date of acquisition.

Current rates of depreciation are:

Building	2% per annum
Machinery and Equipment	10% per annum
Furniture and Fittings	12.50% per annum
Motor Vehicles	25% per annum

(c) Inventories

Inventories are valued at the lower of the cost and net realisable value with cost being determined on a first-in-first-out basis.

(d) Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise cash in hand, deposit held on call with bank and other bank balances.

(e) Revenue recognition

Revenue is recognised upon the delivery of goods and performance of services and the acceptance by customers.

(f) Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Significant accounting policies (Cont'd)

(g) Foreign Currencies

Transactions involving foreign currencies are translated at the exchange rates ruling at the dates of these transactions. At the year end, all assets and liabilities denominated in foreign currencies are translated to Guyana dollars at the exchange rate ruling at that date. Gains and losses arising from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

(h) Retirement Benefit Plan

The Corporation operates a defined contribution pension plan administrated by Clico Life and General Insurance Company (S.A.) Limited. The Corporation's contributions are charged to the statement of comprehensive income. During the year Clico was faced with financial difficulties and has been placed under Judicial Management. The Corporation has since ceased payment of premium to Clico. All contributions are now held in a special bank account until a decision is made by management to either revise its membership with the Clico Plan or the creation of a new scheme.

(i) Government grants

Government grants received to compensate the Corporation's costs are recognised in the statement of comprehensive income in the period in which these costs are incurred.

(j) Impairment of long-lived assets

In accordance with best practice, long lived assets, such as plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognised as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(k) Taxation

This Corporation is exempted from corporation and property tax.

3(i). **Property, plant and equipment**

	Land	Building	Machinery & Equipment	Furniture & Fittings	Motor Vehicles	Total
	$	$	$	$	$	$
Cost						
At 1 January 2009	3,458,037	37,739,564	16,181,279	10,835,160	2,983,095	71,197,135
Additions	-	-	540,971	117,000	4,913,959	5,571,930
At 31 December 2009	3,458,037	37,739,564	16,722,250	10,952,160	7,897,054	76,769,065
Accumulated depreciation						
At 1 January 2009	-	4,143,560	7,430,052	5,578,208	2,983,095	20,134,915
Charges for the year	-	754,791	1,268,197	797,318	637,832	3,458,138
At 31 December 2009	-	4,898,351	8,698,249	6,375,526	3,620,927	23,593,053
Net book value At 31 December 2009	3,458,037	32,841,213	8,024,001	4,576,634	4,276,127	53,176,012
Net book value At 31 December 2008	3,458,037	33,596,004	8,751,227	5,256,952	-	51,062,220

3(ii). The freehold land and building were revalued in 1989 based on professional advice received, the surplus of $ 11,945,965 arising out of this revaluation has been credited to capital reserves.

3(iii). Included in land and building is an amount of $ 60,729 representing the value of a building situated on land owned by the Government of Guyana.

4. Inventories

	2009	2008
	$	$
Goods for resale	1,542,872	3,304,190

5. Receivables and prepayments

	2009	2008
	$	$
Trade receivables	169,943	206,616
Sundry receivables	7,925,933	6,770,814
Prepayments	-	546,418
	8,095,876	7,523,848

6. Cash and deposits

	2009	2008
	$	$
Cash in hand and bank	669,653,470	606,725,961

7. Payables and accruals

	2009	2008
	$	$
Sundry creditors	1,496,472	-
Accruals	3,168,893	3,559,660
Trade creditors	-	-
	4,665,365	3,559,660

8. Deferred Income

This represents:

(i) Fertilizer Subvention received on September 18, 2008, to be used for purchasing of fertilizer for resale to farmers at a subsidized cost.

(ii) Unutilized funds from the following grants: Farmers' Assistance Programme, ALBA Fund, El Nino Fund, Buxton Project and the ASDU-MOU Fund.

9. Cost of sales

	2009	2008
	$	$
Opening stock	3,304,190	1,371,515
Purchases	22,045,654	164,777,965
	25,349,844	166,149,480
Less closing stock	(1,542,872)	(3,304,190)
	23,806,972	162,845,290

10. Selling and distribution

	2009 $	2008 $
Advertising	3,086,094	8,706,959
Grow More Food Expenses	-	21,156,491
Flour Sales Expenses	-	1,442,279
Bee keeping Congress	-	7,652,505
Exhibition - Essequibo Nite	-	-
GMC Booth Expenses - Exhibition	-	-
El Nino Expenses	9,261,407	-
Buxton Expenses	3,016,934	-
Agrifest Expenses	11,251,098	-
ASDU Expenses	193,395	-
Farmers' Assistance Expenses	94,324,397	-
Fertilizer Expenses	35,032,500	-
Tradecom Workshop	436,111	-
Overseas Exhibition	820,542	-
	157,422,478	38,958,234

11. Administrative

	2009 $	2008 $
Audit fees	2,573,035	1,400,620
Depreciation	3,458,138	2,977,814
Donations	614,777	387,428
Electricity	2,880,408	2,891,271
Employment cost	39,177,966	37,967,060
Export documents	16,350	2,500
General expense	1,460,303	4,083,461
Insurance	607,290	522,400
Internet and telex charges	35,000	-
Legal fees	365,000	50,000
Meals and entertainment	1,379,464	860,628
Office expenses	2,651,465	11,057,431
Packaging and wrapping	359,780	616,372
Rates and taxes	767,938	284,504
Rental	1,520,000	1,694,855
Repairs and maintenance	4,725,296	8,993,288
Security	4,603,905	2,857,105
Stationery and printing	2,921,261	3,556,356
Subscription	198,563	182,022
Telephone	1,355,002	1,114,808
Transportation and traveling	1,650,520	3,404,149
Consultancy	-	15,000
Custom duties	15,000	15,000
Suspense a/c	-	247,928
	73,336,461	85,182,001

12. Financial

	2009	2008
	$	$
Bank charges	158,368	242,440
Bank interest	-	29,586
Night Deposit Bags	83,520	-
	241,888	272,026

13. Government Grant

	2009	2008
	$	$
Subsidy Capital	5,000,000	14,000,000
Subsidy - Monthly Subvention	58,318,865	46,075,294
Flour Subvention	-	17,973,673
Bee Congress Subsidy	-	8,770,000
Grow More Subsidy	-	5,000,000
Agro Fest Subsidy	-	2,200,000
Fertilizer Subvention	35,043,613	600,000,000
Farmers' Assistance Programme	94,324,397	-
Tradecom Income	540,000	-
ALBA Fund	-	-
PAS - Fund	165,000	-
El Nino Fund	9,261,407	-
Buxton Project Fund	3,016,934	-
ASDU-MOU Fund	193,395	-
FAO-TCPGUY2310/Agriculture Fund	4,238,000	-
	210,101,611	694,018,967

14. Directors emoluments

	2009	2008
	$	$
Remuneration for serving as Directors		
G. Da Silva - Chairman	30,000	30,000
Ms. Vilma Da Silva	24,000	24,000
Dr. Leslie Chin	24,000	24,000
O. Homenauth	24,000	24,000
P.Persaud	24,000	24,000
R. Ali	24,000	24,000
D. Doodnauth	24,000	24,000
B. Sears	24,000	24,000
K. Somaroo	-	24,000
R. Singh	-	24,000
V. Piers	-	24,000
S. Naughton	-	24,000
N. Dharanlalli	-	24,000
G. Khan	24,000	-
J. McKenzie	24,000	-
	246,000	318,000

15. Key management personnel

Five (5) individuals are considered as key management personnel. During the year remuneration paid to these individuals amounted to G$11,633,400 (2008-G$12,488,500).

16. Financial risk management

(i) Liquidity risk

The contractual undiscounted cashflows associated with the Corporation's financial liabilities of $3,168,893 (2008-$3,559,660) are expected to fall due within 3 months of the balance sheet date. The Corporation manages its exposure to liquidity risk by projecting expected cashflows and managing financing to meet temporary short falls in cash flows.

As at the year end, accounts receivable of $8,095,876 (2008 - $6,977,430) were neither past due nor impaired and were fully performing. None of the accounts receivable that are fully performing were renegotiated during the year. Management considers the credit risk on the balances due from third parties to be minimal given the nature of the items.

(iii) Foreign currency risk

The Corporation's exposure to foreign exchange risk is limited by the denomination of the underlying transaction in stable foreign currencies. At Statement of Financial Position date there were no assets or liabilities denominated in foreign currencies.

(iv) Fair value

The following table presents the carrying amounts and estimated fair values of the Corporation's financial instruments.

	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents (1)	669,653,470	669,653,470	606,725,961	606,725,961
Accounts receivable and prepayments (2)	8,095,876	8,095,876	7,523,848	7,523,848
Financial liabilities				
Accounts payable and accrued liabilities (2)	4,665,365	4,665,365	3,559,660	3,559,660

(1) Recorded at market value.
(2) Recorded at amortised cost. The fair value of accounts receivable, accounts payable and accrued liabilities is equivalent to the carrying amount given the short maturity period.

(v) Interest rate risk

The Corporation is not exposed to interest rate risk since none of its instruments are interest bearing.

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2010

CONTRACTED AUDITORS: NIZAM ALI & CO.
215 'C' CAMP STREET
NORTH CUMMINGSBURG
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2010

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AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2010

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Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

107/PC: 46/2/2012 25 May 2012

Mr. Nizam Hassan
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Mr. Hassan,

RE: AUDIT OF THE FINANCIAL STATEMENTS FOR THE GUYANA MARKETING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2010

Please find attached eight (8) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE

J. Dillon
Audit Manager (ag.)

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 47/2012 25 May 2012

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE GUYANA MARKETING CORPORATION ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Chartered Accountants Nizam Ali and Company have audited on my behalf the financial statements of the Guyana Marketing Corporation for the year ended 31 December 2010, as set out on pages 2 to 14. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, work papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Guyana Marketing Corporation as at 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1991.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 (k) to the financial statements. Management has represented to me that the Corporation is exempt from Corporation and Property taxes. I am unable to ascertain the necessary authority that gives legal effect to this exemption. Management is in the process of establishing this authority. The Corporation has not paid any Corporation and Property taxes since its formation and no provision for such taxes has been made in these financial statements.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL (ag.)

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

Nizam Ali & Company
Chartered Accountants
215 'C' Camp Street
North Cummingsburg
Georgetown

Tel: (592)-227-8825
Tele/Fax: (592)-225-7085
E-mail: nizamali@gol.net.gy

REPORT OF CHARTERED ACCOUNTANT
NIZAM ALI & COMPANY
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER, 2010

We have audited the accompanying financial statements of Guyana Marketing Corporation which comprise the statement of financial position as at December 31, 2010 and the statements of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1991.

Emphasis of matter

Without qualifying our opinion we draw attention to note 3(k) to the financial statements. Management has represented to us that the Corporation is exempt from Corporation and Property taxes. We are unable to ascertain the necessary authority that gives legal effect to this exemption. Management is in the process of establishing this authority. The Corporation has not paid any Corporation or Property taxes since its formation and no provision for such taxes has been made in these financial statements.

Nizam Ali & Company
Chartered Accountants
Georgetown, Guyana
May 18, 2012

Partners: Nizam Ali - FCCA, CTA; Leslie Veerasammy - FCCA

GUYANA MARKETING CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Guyana Marketing Corporation
Statement of Financial Position
As at December 31, 2010
With comparative figures for 2009
(Expressed in Guyana Dollars)

	Notes	2010 $	2009 $
Assets			
Property, plant and equipment	4(i)	144,451,807	53,176,012
Current assets			
Inventories	5	4,728,954	1,542,872
Receivables and prepayments	6	2,463,087	8,095,876
Cash on hand and at bank	7	634,572,616	669,653,470
		641,764,657	679,292,218
Total assets		786,216,464	732,468,230
Current liabilities			
Payables and accruals	8	20,939,569	4,665,365
Deferred Income	9	626,604,304	672,628,706
		647,543,873	677,294,071
Equity			
Government of Guyana		25,102,348	25,102,348
Capital reserves	4(ii)	11,945,965	11,945,965
Retained earnings		101,624,278	18,125,846
		138,672,591	55,174,159
Total liabilities and equity		786,216,464	732,468,230

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

Director

Director

Guyana Marketing Corporation
Statement of Comprehensive Income
For the year ended December 31, 2010
With comparative figures for 2009
(Expressed in Guyana Dollars)

	Notes	2010 $	2009 $
Sales		19,613,416	28,848,195
Cost of sales	10	(16,226,494)	(23,806,972)
Operating income		3,386,922	5,041,223
Other income		114,300,098	10,974,593
Government grant		106,829,886	210,101,611
		224,516,906	226,117,427
Expenses			
Administrative	12	(91,942,316)	(73,336,461)
Selling and distribution	11	(48,863,091)	(157,422,478)
Financial	13	(213,067)	(241,888)
		(141,018,474)	(231,000,827)
Net profit (loss) for the year		83,498,432	(4,883,400)

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

Guyana Marketing Corporation
Statement of Changes in Equity
For the year ended December 31, 2010
With comparative figures for 2009
(Expressed in Guyana Dollars)

	Government of Guyana $	Capital Reserves $	Retained Earnings $	Total $
Year ended December 31, 2010				
As at beginning of year	25,102,348	11,945,965	18,125,846	55,174,159
Net profit	-	-	83,498,432	83,498,432
As at end of year	25,102,348	11,945,965	101,624,278	138,672,591
Year ended December 31, 2009				
As at beginning of year	25,102,348	11,945,965	23,009,246	60,057,559
Net loss	-	-	(4,883,400)	(4,883,400)
As at end of year	25,102,348	11,945,965	18,125,846	55,174,159

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

Guyana Marketing Corporation
Statement of Cash Flows
For the year ended December 31, 2010
With comparative figures for 2009
(Expressed in Guyana Dollars)

	2010	2009
	$	$
Cash flows from operating activities		
Net profit (loss) for the year	83,498,432	(4,883,400)
Adjustment for:		
Depreciation	9,211,484	3,458,138
Loss on disposal of property, plant and equipment	5,555,950	-
Operating profit (loss) before working capital changes	98,265,866	(1,425,262)
(Increase) decrease in inventories	(3,186,082)	1,761,318
(Increase) in receivables and prepayments	5,632,789	(572,028)
Increase in payables and accruals	16,274,204	1,105,705
(Decrease) increase in deferred income	(46,024,402)	67,629,706
Net cash inflow from operating activities	70,962,375	68,499,439
Investing activities		
Acquisition of property and equipment	(106,043,229)	(5,571,930)
Net cash outflow from investing activities	(106,043,229)	(5,571,930)
Net (decrease) increase in cash and cash equivalents.	(35,080,854)	62,927,509
Cash and cash equivalents at the beginning of the year.	669,653,470	606,725,961
Cash and cash equivalents at the end of the year.	634,572,616	669,653,470

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

1. **Incorporation and business activities**

The principal activity of the Corporation is the facilitation for exportation of non-traditional fresh and processed agricultural products.

2. **Amendments to published standards and interpretations**

(i) *Effective in the current year*

Amendments to IFRS 7 — *Financial Instruments disclosures*
This amendment clarifies the required level of disclosures about credit risk and collateral held and provide relief from previously required disclosures regarding renegotiated loans.

IFRS 3 (revised) — *Business combinations*
This amendment seeks to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share in the entity's net assets in the event of liquidation. All other types of non- controlling interests are measured at their acquisition - date fair value unless another measurement basis is required by

IAS 27 (revised) — *Consolidated and Separate Financial Statements*
When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires the group to derecognise all assets, liabilities and non-controlling interests at the carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in the statement of comprehensive income.

IAS 28 (revised) — *Investment in associates*
This amendment clarifies that where the investor loses significant influence over an associate, that the loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value.

Amendments to IFRS 1 — *First time adoption of International Financial Reporting standards*
The amendments provide two exemptions when adopting IFRSs for the first time relating to oil and gas assets, and the determination as to whether an arrangement contains a lease.

Amendments to IFRS 2 — *Share- based payment - Group cash settled Share Based Payment Transactions*
The amendment clarifies the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when other group entity or shreholder has the obligation to settle the award.

2. Amendments to published standards and interpretations, continued

(ii) New Standards and Interpretations, continued

Amendments to IAS 39

Financial Instruments : Recognition and Measurement - Eligible hedged items

The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging options.

IFRIC 17

Distribution of non - cash assets to owners
The interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to shareholders.

IFRIC 18

Transfers of Assets from Customers
The interpretation addresses the accounting by the recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient. the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with IAS 18 *Revenue*.

At the date of authorisation of these financial statements there were new standards and amendments to standards and interpretations which were in issue but not yet effective for the year ended December 31, 2010, and have not been applied in preparing these financial statements.

IFRS 9 - First Phase of replacement of IAS 39 - Financial Instrument: Recognition and Measurement.

IFRS 1 - First time adoption of IFRS- Amendments introduced giving additional exemptions to first time adopters of IFRS.

IFRS 2 - Share Based Payments - Amendments introduced pertaining to cash- settled share based payment transactions.

IAS 24 - Related Party Disclosure - Revised Version introduces additional related party disclosures.

IAS 32 - Financial Instruments: Presentation - Amendment introduced regarding the classification of rights issue.

IFRIC 14- The Limit on a Defined and their Interaction- Amendments relating to Prepayments of a minimum funding requirement.

IFRIC 19 - Extinguishing financial

The adoption of these standards and interpretations are not expected to have a material impact on the financial statements of the Company.

3. The significant accounting policies are:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The Corporation's accounting policies conform with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain judgements. estimates and assumptions concerning the future. The most significant of these arise on the determination of the retirement benefit plan liability and the estimation of the expected useful lives of property, plant and equipment.

The financial statements were authorised for issue by the Board of Directors on MAY 18, 2012

(b) Property, plant and equipment

Properties are recorded at cost or at independent professional valuations less accumulated depreciation. Other fixed assets are stated at cost less accumulated depreciation.

Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Increase in the carrying amount arising on revaluation of properties are credited to capital reserve in equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income.

Freehold building and other fixed assets are depreciated on a straight line basis at rates estimated to write off the assets over their expected useful economic lives. Assets acquired during the year are depreciated from the date of acquisition.

Current rates of depreciation are:

Building	2% per annum
Machinery and Equipment	10% per annum
Furniture and Fittings	12.50% per annum
Motor Vehicles	25% per annum

(c) Inventories

Inventories are valued at the lower of the cost and net realisable value with cost being determined on a first-in-first-out basis.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows. cash and cash equivalents comprise cash in hand. deposit held on call with bank and other bank balances.

(e) Revenue recognition

Revenue is recognised upon the delivery of goods and performance of services and the acceptance by customers.

3. Significant accounting policies, continued

(f) Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(g) Foreign Currencies

Transactions involving foreign currencies are translated at the exchange rates ruling at the dates of these transactions. At the year end, all assets and liabilities denominated in foreign currencies are translated to Guyana dollars at the exchange rate ruling at that date. Gains and losses arising from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

(h) Retirement Benefit Plan

The Corporation operates a defined contribution pension plan administrated by Clico Life and General Insurance Company (S.A.) Limited. The Corporation's contributions are charged to the statement of comprehensive income. During 2009 Clico was faced with financial difficulties and has been placed under Judicial Management. The Corporation has since ceased payment of premium to Clico. All contributions made between September 24, 2009 and December 31, 2010 are held in a special bank account until a decision is made by management to either revise its membership with the Clico Plan or the creation of a new scheme. In January, 2011 an amount totalling $10,590,787 was recovered from Clico in relation to this pension scheme.

(i) Government grants

Government grants received to compensate the Corporation's costs are recognised in the statement of comprehensive income in the period in which these costs are incurred.

(j) Impairment of long-lived assets

In accordance with best practice, long lived assets, such as plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognised as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(k) Taxation

This Corporation is exempted from corporation and property tax.

4 (i) Property, plant and equipment

	Land $	Freehold Building $	Leasehold Buildings $	Construction work in progress	Machinery & Equipment $	Furniture & Fittings $	Motor Vehicles $	Total $
Cost								
At 1 January 2010	3,458,037	9,472,399	28,267,165	-	16,722,250	10,952,160	7,897,054	76,769,065
Additions	-	-	2,000,000	10,000,000	60,262,930	3,174,943	30,605,356	106,043,229
Disposal		(9,472,399)						(9,472,399)
At 31 December 2010	3,458,037	-	30,267,165	10,000,000	76,985,180	14,127,103	38,502,410	173,339,895
Accumulated depreciation								
At 1 January 2010	-	3,916,449	981,902	-	8,698,249	6,375,526	3,620,927	23,593,053
Charges for the year	-		771,457	-	3,491,293	1,025,170	3,923,564	9,211,484
Written back on disposal		(3,916,449)	-					(3,916,449)
At 31 December 2010	-	-	1,753,359	-	12,189,542	7,400,696	7,544,491	28,888,088
Net book value At 31 December 2010	3,458,037	-	28,513,806	10,000,000	64,795,638	6,726,407	30,957,919	144,451,807
Net book value At 31 December 2009	3,458,037	5,555,950	27,285,263	-	8,024,001	4,576,634	4,276,127	53,176,012

4 (ii) The freehold land and building were revalued in 1989 based on professional advice received, the surplus of $ 11,945,965 arising out of this revaluation has been credited to capital reserves.

4 (iii) Included in land and building is an amount of $ 60,729 representing the value of a building situated on land owned by the Government of Guyana.

4 (iv) Leasehold buildings comprise of construction costs of $19,810,472 at the Central Packaging Facility (Sophia) and $8,703,334 at the Parika Agro-Packaging Facility.

5. Inventories

	2010	2009
	$	$
Goods for resale	4,728,954	1,542,872

6. Receivables and prepayments

	2010	2009
	$	$
Trade receivables	38,479	169,943
Sundry receivables	147,608	7,925,933
Prepayments	2,277,000	-
	2,463,087	8,095,876

7. Cash and deposits

	2010	2009
	$	$
Cash in hand and bank	634,572,616	669,653,470

8. Payables and accruals

	2010	2009
	$	$
Sundry creditors	3,430,010	1,496,472
Accruals	17,509,559	3,168,893
	20,939,569	4,665,365

9. Deferred Income

This represents:

(i) The balance of Fertilizer Subvention received on September 18, 2008, to be used for purchasing of fertilizer for resale to farmers at a subsidized cost.

(ii) Unutilized funds from the following grants: Farmers' Assistance Programme, ALBA Fund, El Nino Fund, Buxton Project, ASDU-MOU Fund, Market Identification Study, Development of Market and Enterprise Information System, Competitive Assessment Study, North and South Pakaraima Project, Toshao's Council and Land Utilization Project.

10. Cost of sales

	2010	2009
	$	$
Opening stock	1,542,872	3,304,190
Purchases	19,412,576	22,045,654
	20,955,448	25,349,844
Less closing stock	(4,728,954)	(1,542,872)
	16,226,494	23,806,972

11. Selling and distribution

	2010 $	2009 $
Advertising	7.801,181	3,086,094
Grow More Food Expenses	80,000	-
El Nino Expenses	15.178,819	9,261,407
Buxton Expenses	2.541,760	3,016.934
Agrifest Expenses	-	11,251,098
ASDU Expenses	459,760	193,395
Farmers' Assistance Expenses	12.900	94,324,397
Fertilizer Expenses	-	35,032,500
Tradecom Workshop	-	436,111
Land Utilization Project	3.077,196	-
Toshao's Council Expenses	8.921,859	-
ALBA Expenses	6.470.808	-
Market Identification Study	1.548,291	-
National Exhibition	1.478,588	-
Overseas Exhibition	1,291,929	820,542
	48,863,091	157.422,478

12. Administrative

	2010 $	2009 $
Audit fees	1,250,000	2,573,035
Depreciation	9,211,484	3,458,138
Donations	253,502	614,777
Electricity	2,143,681	2,880,408
Employment cost	43,026.707	39,177,966
Export documents	25.775	16,350
General expense	10,296.613	1,460,303
Insurance	706.802	607,290
Internet and telex charges	-	35,000
Legal fees	67.400	365,000
Meals and entertainment	275,912	1,379,464
Office expenses	3.395.041	2,651,465
Packaging and wrapping	214,800	359,780
Rates and taxes	1,013,317	767,938
Rental	3,015,000	1,520,000
Repairs and maintenance	7,525,255	4,725,296
Security	5.017.583	4.603,905
Stationery and printing	1.031.358	2,921,261
Subscription	165.210	198,563
Telephone	1.398.035	1.355,002
Transportation and traveling	1.778.114	1.650,520
Consultancy	10.000	-
Custom duties	31,400	15,000
Valuation Fees	45,368	-
Spoilage	43,959	-
	91,942,316	73,336,461

13. Financial

	2010	2009
	$	$
Bank charges	213.067	158,368
Night Deposit Bags	-	83,520
	213,067	241,888

14. Government Grant

	2010	2009
	$	$
Subsidy Capital	13.200.000	5,000,000
Subsidy - Monthly Subvention	62,401,812	58.318,865
Fertilizer Subvention	2,000	35.043,613
Farmers' Assistance Programme	2,873.750	94.324,397
Tradecom Income	-	540,000
PAS - Fund	-	165,000
El Nino Fund	7.600,015	9,261,407
Buxton Project Fund	1.548,291	3.016,934
ASDU-MOU Fund	4.828.701	193,395
FAO-TCPGUY2310/Agriculture Fund	-	4.238,000
Market Identification Study	2.400,000	-
Competitive Assessment Study	306,000	-
TOSHAO's Council Fund	10,656,000	-
Land Utilization Project	1,013,317	-
	106,829,886	210.101,611

15. Other Income

Included in other income is a total of $81,100.327 which represents Bolivarian Alliance for the Peoples of Our America (ALBA) Funds used for the acquisition of refrigerated trucks and containers.

16. Directors emoluments

	2010	2009
	$	$
Remuneration for serving as Directors		
G. Da Silva - Chairman	55,000	30,000
Ms. Vilma Da Silva	44,000	24,000
Dr. Leslie Chin	44.000	24,000
O. Homenauth	44,000	24,000
P.Persaud	44,000	24,000
R. Ali	44,000	24,000
D. Doodnauth	44,000	24,000
B. Sears	44.000	24,000
G. Khan - Ptolemy Reid Rehabilitation Centre	44.000	24,000
J. McKenzie	44,000	24,000
	451,000	246,000

17. Key management personnel

Five (5) individuals are considered as key management personnel. During the year remuneration paid to these individuals amounted to G$11.145,900 (2009-G$11,633.400).

18. Financial risk management

(i) Liquidity risk

The contractual undiscounted cashflows associated with the Corporation's financial liabilities of $17,509,559 (2009-$3,168,893) are expected to fall due within 3 months of the balance sheet date. The Corporation manages its exposure to liquidity risk by projecting expected cashflows and managing financing to meet temporary short falls in cash flows.

As at the year end, accounts receivable of $2,463,087 (2009 - $8,095,876) were neither past due nor impaired and were fully performing. None of the accounts receivable that are fully performing were renegotiated during the year. Management considers the credit risk on the balances due from third parties to be minimal given the nature of the items.

(iii) Foreign currency risk

The Corporation's exposure to foreign exchange risk is limited by the denomination of the underlying transaction in stable foreign currencies. At Statement of Financial Position date there were no assets or liabilities denominated in foreign currencies.

(iv) Fair value

The following table presents the carrying amounts and estimated fair values of the Corporation's financial instruments.

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	$	$	$	$
Financial assets				
Cash and cash equivalents (1)	634,572,616	634,572,616	669,653,470	669,653,470
Accounts receivable and prepayments (2)	2,463,087	2,463,087	8,095,876	8,095,876
Financial liabilities				
Accounts payable and accrued liabilities (2)	20,939,569	20,939,569	4,665,365	4,665,365

(1) Recorded at market value.
(2) Recorded at amortised cost. The fair value of accounts receivable, accounts payable and accrued liabilities is equivalent to the carrying amount given the short maturity period.

(v) Interest rate risk

The Corporation is not exposed to interest rate risk since none of its instruments are interest bearing.

19. Commitment and Contingent liability

Legal proceedings

The Corporation is the plaintiff in certain litigations. Management does not believe that the outcome of these proceedings will have material adverse effect on the Corporations's result of operations and accordingly no provision for contingencies is necessary.

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2011

CONTRACTED AUDITORS: TSD LAL & CO
77 BRICKDAM
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2011

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Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

185/PC: 46/2/2013 15 July 2013

Mr. Nizam Hassan
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Mr. Hassan,

RE: AUDIT OF THE FINANCIAL STATEMENTS FOR THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2011

Please find attached nine (9) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE OF GUYANA

J. Dillon
Audit Manager
for Auditor General

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 102/2013 15 July 2013

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE GUYANA MARKETING CORPORATION ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Chartered Accountants TSD Lal and Company have audited on my behalf the financial statements of the Guyana Marketing Corporation for the year ended 31 December 2011, as set out on pages 2 to 30. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

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

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects of the financial position of Guyana Marketing Corporation as at 31 December 2011 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards

Report and Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

GUYANA MARKETING CORPORATION

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011
AND INDEPENDENT AUDITORS' REPORT

REPORT OF CHARTERED ACCOUNTANTS TSD LAL & CO

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED 31 DECEMBER, 2011

Report on the Financial Statements

We have audited the accompanying financial statements of Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2011 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 30.

Directors'/Management's Responsibility 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion the financial statements give a true and fair view, in all material respects of the financial position of Guyana Marketing Corporation as at 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.

TSD Lal & Co

TSD LAL & CO.

CHARTERED ACCOUNTANTS

(An Independent Correspondent Firm of

Deloitte Touche Tohmatsu)

Date: May 16, 2013

77 Brickdam,

Stabroek, Georgetown,

Guyana

GUYANA MARKETING CORPORATION

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2011

	Notes	2011	2010
		G$	G$
Turnover	5	6,402,473	19,613,416
Cost of sales		5,579,109	16,226,494
Gross profit		823,364	3,386,922
Other income	6	14,823,902	33,199,771
Government grant	7	589,885,611	187,930,213
		605,532,877	224,516,906
Selling and distribution	8	3,062,481	9,067,769
Administrative expenses	9	492,019,672	131,737,638
Profit before interest		110,450,724	83,711,499
Financial expenses	10	826,131	213,067
Profit for the year		109,624,593	83,498,432

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

GUYANA MARKETING CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Capital reserve G$	Government of Guyana G$	Retained earnings G$	Total G$
At 1 January 2010	11,945,965	25,102,348	18,125,846	55,174,159
Profit for the year	-	-	83,498,432	83,498,432
Balance at 31 December,2010	11,945,965	25,102,348	101,624,278	138,672,591
Profit for the year	-	-	109,624,593	109,624,593
Balance at 31 December 2011	11,945,965	25,102,348	211,248,871	248,297,184

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

GUYANA MARKETING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Notes	2011 G$	2010 G$
ASSETS			
Non current assets			
Property,plant and equipment	11	151,053,835	144,451,807
Current assets			
Stocks	12	341,000	4,728,954
Debtors and prepayments	13	87,581,439	2,463,087
Cash at bank	14	251,520,883	634,572,616
		339,443,322	641,764,657
TOTAL ASSETS		490,497,157	786,216,464
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	11(a)	11,945,965	11,945,965
Government of Guyana	15	25,102,348	25,102,348
Retained earnings		211,248,871	101,624,278
		248,297,184	138,672,591
Non current liability			
Deferred income	16	225,335,179	626,604,304
Current liabilities			
Creditors and accruals	17	14,940,953	20,939,569
Bank overdraft(unsecured)	18	1,923,841	-
		16,864,794	20,939,569
TOTAL EQUITY AND LIABILITIES		490,497,157	786,216,464

"These financial statements were approved by the Board of Directors on ..16TH MAY, 2013

On behalf of the Board:

.... Director

.... Director

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

GUYANA MARKETING CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 G$	2010 G$
Operating activities		
Profit for the year	109,624,593	83,498,432
Adjustments for:		
Loss on disposal of asset	239,392	5,555,950
Deprication	19,098,080	9,211,484
Operating profit before working capital changes	128,962,065	98,265,866
Decrease/(increase) in stocks	4,387,954	(3,186,082)
Decrease/(increase) in debtors and prepayments	(85,118,352)	5,632,789
Increase/(decrease) in creditors and accruals	(5,998,616)	16,274,204
Decrease in deferred income	(401,269,125)	(46,024,402)
Net cash provided by/used in) operating activities	(359,036,074)	70,962,375
Investing activities		
Purchase of fixed assets	(25,939,500)	(106,043,229)
Net cash used in investing activities	(25,939,500)	(106,043,229)
Net decrease in cash and cash equivalents	(384,975,574)	(35,080,854)
Cash and cash equivalents at beginning of period	634,572,616	669,653,470
Cash and cash equivalents at end of period	249,597,042	634,572,616
Consisting:		
Cash on hand and bank	251,520,883	634,572,616
Bank overdraft	1,923,841	-
	249,597,042	634,572,616

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

1. Incorporation and activities

The Corporation was incorporated in Guyana under Order 97. of 1963, made under the Public Corporation Ordinance and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products.

2. **New and revised standards and interpretations**

Effective for the current year end

	Effective for annual periods beginning on or after
Amendments to Standards	
IFRS 1 Short term Disclosure Exemption - IFRS 7	1 July 2010
IFRS 1 Short term Exemption – IFRS 9	On adoption of
IFRS 1 Three amendments to IFRS 1 – Changes in accounting policies, deemed cost exemption for event-driven fair value measurements and deemed cost (rate-regulated entities)	1 January 2011
IFRS 3 Amendments to IFRS3 (2008)	1 July 2010
IFRS 7 Amendments as part of Improvements to IFRSs 2010	1 January 2011
IAS 1 Amendments as part of Improvements to IFRSs 2010	1 January 2011
IAS 24 Related Party Disclosures	1 January 2011
IAS 27(2008) Amendments as part of Improvements to IFRSs 2010	1 July 2010
IAS 32 Classification of Rights Issues	1 February 2010
IAS 34 Amendments as part of Improvements to IFRSs 2010	1 January 2011

2. New and revised standards and interpretations - cont'd

Effective for the current year end – cont'd

	Effective for annual periods beginning on or after
New Interpretations	
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Amendments to Interpretations	
IFRIC 13 Amendments as part of Improvements to IFRSs 2010	1 January 2011
IFRIC 14 Prepayments of a Minimum Funding Requirement	1 January 2011

Available for early adoption for the current year end

New and Amended Standard

IFRS 1 Removal of Fixed Dates for First-time Adopters	1 July 2011
IFRS 1 Severe Hyperinflation	1 July 2011
IFRS 7 Enhanced Derecognition Disclosure Requirements	1 July 2011
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
IFRS 9 Additions for Financial Liability Accounting	1 January 2015
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IAS 27(2011) Separate Financial Statements	1 January 2013
IAS 28(2011) Investments in Associates and Joint Ventures	1 January 2013

2. New and revised standards and interpretations - cont'd

Available for early adoption for the current year end - cont'd

New and Amended Standards – cont'd

IFRS 13 Fair Value Measurement	1 January 2013
IAS 1(2011) Amendments to IAS 1 – Presentation of Other Comprehensive Income	1 July 2012
IAS 12 Amendments to IAS 12 – Income Taxes	1 January 2012
IAS 19 Amendments to IAS 19 – Employee Benefits	1 January 2013

New interpretation

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The Company has not opted for early adoption.

The standards and amendments that are expected to impact the Company's accounting policies, when adopted, are explained below.

IFRS 7
The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets and are intended to provide greater transparency around risk exposures when a financial asset is transferred. The directors do not anticipate that these amendments to IFRS 7 will have a significant effect on the Company's disclosures

2. New and revised standards and interpretations – cont'd

IFRS 9

IFRS 9 was issued in November 2009 and was initially required to be applied from 1 January 2013. However, new requirements were added in November 2010 and the revised date for adoption is now 1 January 2015. 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.

The application of IFRS 9 may have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

When adopted, the standard will be applied retrospectively in accordance with IAS 8

IFRS 13

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. It applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

When adopted, the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

2. New and revised standards and interpretations – cont'd

IAS 1

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.
The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Apart from the foregoing, none of the above new standards, interpretations and amendments to standards is expected to have a significant impact on the Company's accounting policies when adopted.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention, as modified by the revaluation of certain fixed assets. The principal accounting policies are set out below.

3. Summary of significant accounting policies-cont'd

(c) Revenue and expense recognition

Revenue is recognized in the statement of income on an accrual basis at the fair value of the consideration received.

Expenses are recognized on an accruals basis.

(d) Taxation

The Corporation is exempt from corporation and property taxes.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.
At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized in the statement of changes in equity.

3. Summary of significant accounting policies-cont'd

(f) Fixed assets and depreciation

Freehold land and buildings held for use in the supply of goods and services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less accumulated depreciation and any recognised impairment loss.

Any revaluation increase arising on the revaluation of such land and buildings is credited to capital reserve.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued land or buildings, the attributable revaluation surplus remaining in the capital reserve is transferred to the statement of comprehensive income.

Motor vehicles and machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.
No depreciation is provided on freehold land and construction work-in-progress. Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2 %
Motor vehicle	-	25 %
Machinery and equipment	-	10 %
Furniture and Fittings	-	12.50%

Assets acquired during the year are depreciated from the date of acquisition.

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the profit or loss.

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(g) Stocks

Stocks are valued at the lower of cost and net realizable value based on the first-in-first-out method. Net realizable value is the selling price in the normal course of business less selling expenses.

3. Summary of significant accounting policies-cont'd

(h) Financial liabilities

The Company's financial liabilities are classified as other financial liabilities.

(i) Cash and Cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(j) Bank borrowings

Interest bearing bank loans and overdrafts are recognized at amortised cost.

(k) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Company derecognizes financial liabilities when the company's obligations are discharged, cancelled or expire.

3. Summary of significant accounting policies-cont'd

(l) Financial assets

Investments are recognized and derecognized on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit and loss 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.

(m) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form ani ntegral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

(n) Revaluation reserve

This represents the surplus arising from the revaluation of land and buildings. This reserve is not distributable.

3. Summary of significant accounting policies-cont'd

(o) Impairment of tangible assets

At the end of each reporting period, the corporation 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 corporation 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.

(p) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

(q) Business reporting divisions

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.

The company's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

3. Summary of significant accounting policies-cont'd

(r) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(s) Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(t) Government Grants

Government grants received to compensate the Company's cost are recognised in the income statement in the period in which these costs are incurred.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's 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.

4 Critical accounting judgements and key sources of estimation uncertainty - cont'd

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.

ii) 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.

iii) 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 that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

		2011 G$	2010 G$
5	Turnover	6,402,473	19,613,416

Turnover represents goods sold to third parties.

		2011 G$	2010 G$
6	**Other Income**		
	Income Receivables - T/Phone	16,072	52,457
	Promotion	3,274,400	10,866,379
	Pack House Fees	1,480,900	1,378,910
	Container plugup charges	-	57,700
	Rental of building	480,000	720,000
	Miscellaneous	1,804,110	1,431,671
	Cash Overage	-	1,079
	Refund	586,981	1,540,597
	Sales of forms/documents	832,460	509,849
	Income from sale of tender	-	85,000
	Loss on Disposal	(239,392)	(5,555,950)
	Freezer Truck Income	895,000	193,500
	Bank interest received	2,823,371	-
	Contribution Fund	-	21,918,579
	Read Building Fund	2,870,000	-
		14,823,902	33,199,771
7	**Government Grants**		
	Subsidy Capital	13,000,000	13,200,000
	Subsidy- Money subvention	80,231,976	62,401,812
	ALBA Fund	17,576,531	81,100,327
	Market Identification Study	-	2,400,000
	Competitive Asssessment Study	312,000	306,000
	Development of Market & Ent.	6,636,677	-
	Fertilizer subvention	451,490,366	2,000
	Farmer's Assistance Programme	459,650	2,873,750
	El Nino	3,978,794	7,600,015
	La Nina	5,861,300	
	Buxton project	915,390	1,548,291
	ASDU - MOU	945,487	4,828,701
	North and South Pakarima project	2,468,500	-
	Toshao's Council	-	10,656,000
	Land Utilization Project	4,008,940	1,013,317
	Douchfour Project - NDIA	2,000,000	-
		589,885,611	187,930,213

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

	2011 G$	2010 G$
8 Selling and distrubution		
Advertising	2,323,721	7,589,181
National Exhibition	738,760	1,478,588
	3,062,481	9,067,769
9 Administrative expenses		
Alba expense	4,196,632	6,470,808
Audit fees	428,655	1,250,000
Buxton expenditure	915,390	2,541,760
Cleaning & sanitation	478,119	-
Christmas celebration	232,318	-
Computer expenses	492,164	-
Customs duties	514,185	31,400
Depreciation	19,098,480	9,211,484
Donations	877,710	253,502
Electricity	1,301,844	2,143,681
El Nino expense	4,028,958	15,178,819
Employment cost	51,034,032	43,026,707
Export documents	-	25,775
Farmer's connection	180,000	12,900
Fertilizer expenses	366,809,811	-
General expenses	1,949,797	10,296,613
General consultancy	5,000	-
Hotel accoummodation	407,560	
Hope Douchfour farmers	2,000,000	-
Insurance	669,876	706,802
La Nina expense	6,628,404	-
Land utilization project	1,710,950	3,077,196
Legal fees	75,400	67,400
Market identification study	27,840	1,548,291
Grow more food expenses	-	80,000
ASDU expenses	-	459,760
Overseas exhibition	-	1,291,929
Meals & entertainment	96,860	275,912
MOA expenses	1,076,174	-
Balance carried forward	465,236,159	97,950,739

9 Administrative expenses	2011 G$	2010 G$
Balance brought forward	465,236,159	97,950,739
Offiice expenses	13,944	3,395,041
Packaging & wrapping	-	214,800
Photocopying	60,407	-
Postage	1,000	-
Promotional expenses	2,772,077	212,000
Rates & taxes	380,200	1,013,317
Relocation cost	414,760	-
Rental	3,000,000	3,015,000
Repairs & maintainance	3,464,696	7,525,255
Security	3,905,504	5,017,583
Staff gift voucher	1,069,500	-
Stationery & printing	1,221,611	1,031,358
Subscription	108,640	165,210
Sundry	274,357	-
Telephone	1,233,738	1,398,035
Toshao council expenses	538,513	8,921,859
Training - overseas	629,196	-
Transportation & travel	3,681,868	1,778,114
Consultancy	-	10,000
Valuation fees	-	45,368
Vehicle expenses	3,888,143	-
Bad debts	38,479	-
Spoilage	86,880	43,959
	492,019,672	131,737,638

10 **Financial expenses**		
Bank charges	177,937	213,067
Bank interest	564,674	-
Night deposit bags	83,520	-
	826,131	213,067

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

11 Fixed assets

	Freehold land and buildings G$	Construction work in progress G$	Machinery and equipment G$	Furniture & fittings G$	Motor vehicles G$	Total G$
(a) Cost/valuation						
At 1 January 2011	33,725,202	10,000,000	76,985,180	14127103	38,502,410	173,339,895
Additions	-	9,427,577	10,845,556	129,317	5,537,050	25,939,500
Disposal	-	-	(1,684,562)	(600,411)	-	(2,284,973)
At 31 December 2011	33,725,202	19,427,577	86,146,174	13,656,009	44,039,460	196,994,422
Depreciation						
At 1 January 2010	1,753,359	-	12,189,542	7,400,696	7,544,491	28,888,088
Charge for the year	605,343	-	7,948,470	1,203,202	9,341,065	19,098,080
Wretten back on disposal	-	-	(1,449,538)	(596,043)	-	(2,045,581)
At 31 December 2011	2,358,702	-	18,688,474	8,007,855	16,885,556	45,940,587
Net book values:						
At 31 December 2011	31,366,500	19,427,577	67,457,700	5,648,154	27,153,904	151,053,835
At 31 January 2011	31,971,843	10,000,000	64,795,638	6,726,407	30,957,919	144,451,807

(a) The freehold land and building were revalued in1989 based on professional advice received.The surplus of $ 11,945,965 arising on this revaluation was credited to revaluation reserve.

(b) Included in land and building is an amount of $60,729 representing the value of a building ,construction cost of $19,810,472 at Central Packaging Facility (Sophia) and $8703,334 at the Parika Agro-Packaging Facility situated on land owned by the Government of Guyana.

12 Stocks

	2011 G$	2010 G$
Finished goods	341,000	4,728,954

The costs of inventory recognised as expense during the period with respect to the operations was G$ 5,579,109 (2010 - G$16,226,494)

The cost of inventory recognised as an expense includes G$ 86,880 in respect of goods written off. (2010 - G$43,959)

All inventories are expected to be recovered within 12 months.

13 Debtors and prepayments

	2011 G$	2010 G$
Trade debtors	86,994,711	38,479
Other debtors	586,728	147,608
Prepayments	-	2,277,000
	87,581,439	2,463,087

	2011	2010
14 Cash at bank	251,520,883	634,572,616

The interest rates on fixed deposit and short term deposit accounts are at varing rates from 2% to 4.5% (2010 - 4.5%)

	2011	2010
15 Government of Guyana	25,102,348	25,102,348

	2011 G$	2010 G$
16 Deferred income		
Opening balance	626,604,304	672,628,706
Received during the year	95,384,510	55,955,003
Expended during the year	(496,653,635)	(101,979,405)
Closing balance	225,335,179	626,604,304

This reresents:

(i) The balance of Fertiliser Subvention received on September 18,2008, to be used for purchaseing of fertiliser for resale to farmers at a subsidised cost.

(II) Unutilised funds from the following grants: Farmers' Assistance Programme,ALBA Funds, EL Nino Funds,Buxton Project, ASDU-MOU Funds,Market Identification Study,Development of Market and Enterprise Information System,Competitive Assessment Study,North and South Pakaraima Project,Toshao's Council and Land Utilisation Project.

	2011 G$	2010 G$
17 Creditors and accruals		
Sundry creditors	13,475,225	3,430,010
Accruals	1,465,728	17,509,559
	14,940,953	20,939,569
18 Republic Bank (Guyana) Limited		
Bank Overdraft (unsecured)	1,923,841	-
Rate of interest	18.25	-

19 Analysis of financial assets and liabilities by measurement basis

	Loans and receivable G$	Other Financial assets and liabilities at amortised cost G$	Total G$
2011			
Assets			
Debtors and prepayments	87,581,439	-	87,581,439
Cash on hand and at bank	-	251,520,883	251,520,883
	87,581,439	251,520,883	339,102,322
Liabilities			
Creditors and accruals	-	14,940,953	14,940,953
Bank overdraft (Unsecured)	-	1,923,841	1,923,841
	-	16,864,794	16,864,794
2010			
Assets			
Debtors and prepayments	2,463,087	-	2,463,087
Cash on hand and at bank	-	634,572,616	634,572,616
	2,463,087	634,572,616	637,035,703
Liabilities			
Creditors and accruals	-	20,939,569	20,939,569

20 Financial risk management

Financial risk management objectives

The company's management monitors and manages the financial risks relating to the operations of the corporation through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate 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.
The company's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The company uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the company's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all the other variables were held constant, the Company's profit for the year e would increase/decrease by G$5,481,230 (2010: G$4,174,922). This is mainly attributable to the Company's exposure to interest rates on its balances at banks.

20 Financial risk management
(a) Market risk-cont'd
(i) Interest rate risk-cont'd

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 in interest rates. This impacts directly on its cash flows.

The company management continually monitors and manages these risks through the use of appropriate tools and implements relevaant strategies to hedge against any adverse effects.

Interest risk tables

	Average interest rate %	Maturing 31-12-2011 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,581,439	87,581,439
Cash at bank	4.50	251,520,883	-	251,520,883
		251,520,883	87,581,439	339,102,322
Liabilities				
Creditors and accruals			14,940,953	14,940,953
Bank overdraft (unsecured)	18.25	1,923,841	-	1,923,841
		1,923,841	14,940,953	16,864,794
Interest sensitivity gap		249,597,042		

		Maturing 31-12-2010 Within 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	2,463,087	2,463,087
Cash at bank	4.50	634,572,616	-	634,572,616
		634,572,616	2,463,087	637,035,703
Liabilities				
Creditors and accruals		-	20,939,569	20,939,569
				-
		-	20,939,569	20,939,569
Interest sensitivity gap		634,572,616		

20 Financial risk management - cont'd

(a) Market risk-cont'd

(ii) Currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates is minin
At the end of the financial year there were no assets or liabilities denominated in foreign currencie

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in n prices whether those changes are caused by factors specific to the individual security of its issuer factors affecting all securities traded in the market. Management continually identifies the risk anc diversifies the portfolio in order to minimize the risk.

The company is not significantly exposed to other price risks arising from equity investments.

(b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its comm

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid c

The following table shows the distribution of assets and liabilities by maturity:

	Maturing 2011 Within 1 year		
	On Demand	Due 3 - 12 mths	Total
	G$	G$	G$
Assets			
Debtors and prepayments	87,581,439	-	87,581,439
Cash on hand and at bank		251,520,883	251,520,883
	87,581,439	251,520,883	339,102,322
Liabilities			
Creditors and accruals		14,940,953	14,940,953
Bank overdraft (secured)	1,923,841	-	1,923,841
	1,923,841	14,940,953	16,864,794
Net assets	85,657,598	236,579,930	322,237,528

	Maturing 2010 Within 1 year		
	On Demand	Due 3 - 12 mths	Total
	G$	G$	G$
Assets			
Debtors and prepayments	2,463,087		2,463,087
Cash on hand and at bank		634,572,616	634,572,616
	2,463,087	634,572,616	637,035,703
Liabilities			
Creditors and accruals	-	20,939,569	20,939,569
	-	20,939,569	20,939,569
Net assets	2,463,087	613,633,047	616,096,134

20 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from failure of a customer to meet its obligations under a contract, it arises in the case of the corporation, principally from debtors and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being credit worthly, with very strong capacity to meet their obligations as they fall due.

The company's exposure to credit risk is continuously monitored to ensure that amounts are recovered.
Management implicitly monitors the analysis of credit risk portfolio.
The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The table below shows the Corporation's maximum exposure to credit risk.

	2011 G$	2010 G$
Gross maximum exposure:		
Debtors (i)	87,581,439	2,463,087
Cash resources at banks (ii)	251,520,883	634,572,616
Total credit risk exposure	**339,102,322**	**637,035,703**

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

(i) This represent trade debtors which are collectible

(ii) Cash and cash equivalents include balances held with commercial banks.These banks have been assessed by the corporation as being credit worthy,with very strong capacity to meet their obligations as they fall due.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The company's maximum credit exposure, after taking account of credit loss provisions established can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2011 G$	2010 G$
Guyana	87,581,439	2,463,087

The above balances are classified as follows:.

20 Financial risk management - cont'd

(c) Credit risk-cont'd

	2011	2010
	G$	G$
Current	87,581,439	2,463,087

21 Capital risk management

The company 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 company's overall strategy remains unchanged from 2010.

The capital structure of the company consists of cash equivalents and equity attributable to the Government of Guyana, comprising capital, reserves and retained earnings.

22 Fair value of financial instruments

Fair values have been determined as follows:

	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
Assets	G$	G$	G$	G$
Debtors and prepayments	87,581,439	87,581,439	2,463,087	2,463,087
Cash at bank	251,520,883	251,520,883	634,572,616	634,572,616
	339,102,322	339,102,322	637,035,703	637,035,703
Liabilities				
Creditors and accruals	14,940,953	14,940,953	20,939,569	20,939,569
Bank overdraft	1,923,841	1,923,841	-	-
	16,864,794	16,864,794	20,939,569	20,939,569

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

The fair value of financial assets and financial liabilities were determined as follows:

(a) Debtors are net of specific and other provisions for impairment. The fair value of debtors is based on expected realisation of outstanding balances taking into account the corporation's history with respect to delinquencies.

(b) Financial instruments where the carrying amounts are equal to fair value:- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash debtors and prepayment and creditors and accruals.

23 Pending litigation

There is no pending litigation.

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2012

CONTRACTED AUDITORS: TSD LAL & CO.
77 BRICKDAM
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2012

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Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

48/PC: 46/2/2014 26 February 2014

Mr. Nizam Hassan
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Mr. Hassan,

RE: AUDIT OF THE FINANCIAL STATEMENTS FOR THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2012

Please find attached five (5) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE GUYANA

J. Dillon
Audit Manager
for Auditor General

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 8/2014 26 February 2014

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE GUYANA MARKETING CORPORATION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Chartered Accountants TSD Lal and Company have audited on my behalf the financial statements of the Guyana Marketing Corporation for the year ended 31 December 2012, as set out on pages 2 to 30. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

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

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Guyana Marketing Corporation as at 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Public Corporation Ordinance.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

REPORT OF CHARTERED ACCOUNTANTS TSD LAL & CO

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED 31 DECEMBER, 2012

Report on the Financial Statements

We have audited the accompanying financial statements of Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2012 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 30.

Directors'/Management's Responsibility 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion the financial statements give a true and fair view, in all material respects of the financial position of Guyana Marketing Corporation as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Public Corporation Ordinance.

TSD Lal & Co

TSD LAL & CO.
CHARTERED ACCOUNTANTS
(An Independent Correspondent Firm of
Deloitte Touche Tohmatsu)
Date: January 24, 2014
77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA MARKETING CORPORATION

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2012

	Notes	2012	2011
		G$	G$
Turnover	5	8,583,289	6,402,473
Cost of sales		7,021,503	5,579,109
Gross profit		1,561,786	823,364
Other income	6	6,510,486	14,823,902
Government grant	7	122,597,336	589,885,611
		130,669,608	605,532,877
Selling and distribution	8	1,269,337	3,062,481
Administrative expenses	9	120,537,623	492,019,672
Profit before interest		8,862,648	110,450,724
Financial expenses	10	445,404	826,131
Profit for the year		8,417,244	109,624,593

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

GUYANA MARKETING CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Capital Reserve G$	Government of Guyana G$	Retained earnings G$	Total G$
Balance at 1 January 2011	11,945,965	25,102,348	101,624,278	138,672,591
Write back of reserve	(11,945,965)	-	-	(11,945,965)
Balance at 1 January 2011 (Restated)	-	25,102,348	101,624,278	126,726,626
Profit for the year	-	-	109,624,593	109,624,593
Balance at 31 December,2011	-	25,102,348	211,248,871	236,351,219
Profit for the year	-	-	8,417,244	8,417,244
Balance at 31 December 2012	-	25,102,348	219,666,115	244,768,463

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

GUYANA MARKETING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Notes	2012	2011
ASSETS		G$	G$
Non current assets			Restated
Property,plant and equipment	11	147,377,981	139,107,870
Current assets			
Stocks	12	2,767,957	341,000
Debtors and prepayments	13	87,379,411	87,581,439
Cash at bank	14	233,867,828	251,520,883
		324,015,196	339,443,322
TOTAL ASSETS		471,393,177	478,551,192
EQUITY AND LIABILITIES			
Capital and reserves			
Government of Guyana	15	25,102,348	25,102,348
Retained earnings		219,666,115	211,248,871
		244,768,463	236,351,219
Non current liability			
Deferred income	16	223,560,269	225,335,179
Current liabilities			
Creditors and accruals	17	3,064,445	14,940,953
Bank overdraft(unsecured)	18	-	1,923,841
		3,064,445	16,864,794
TOTAL EQUITY AND LIABILITIES		471,393,177	478,551,192

"These financial statements were approved by the Board of Directors on January 24, 2014

On behalf of the Board:

.... Director

.... Director

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

GUYANA MARKETING CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 G$	2011 G$
Operating activities		
Profit for the year	8,417,244	109,624,593
Adjustments for:		
Loss on disposal of asset	-	239,392
Depreciation	20,203,082	19,098,080
Operating profit before working capital changes	28,620,326	128,962,065
Decrease/(increase) in stocks	(2,426,957)	4,387,954
Decrease/(increase) in debtors and prepayments	202,028	(85,118,352)
Decrease in creditors and accruals	(11,876,508)	(5,998,616)
Decrease in deferred income	(1,774,910)	(401,269,125)
Net cash provided by/used in) operating activities	12,743,979	(359,036,074)
Investing activities		
Purchase of fixed assets	(28,473,193)	(25,939,500)
Net cash used in investing activities	(28,473,193)	(25,939,500)
Net decrease in cash and cash equivalents	(15,729,214)	(384,975,574)
Cash and cash equivalents at beginning of period	249,597,042	634,572,616
Cash and cash equivalents at end of period	233,867,828	249,597,042
Consisting:		
Cash on hand and bank	233,867,828	251,520,883
Bank overdraft	-	1,923,841
	233,867,828	249,597,042

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

1. Incorporation and activities

The Corporation was incorporated in Guyana under Order 97. of 1963, made under the Public Corporation Ordinance and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products.

2. **New and revised standards and interpretations**

Effective for the current year end

		Effective for annual periods beginning on or after
Amended and revised standards		
IFRS 1	Removal of Fixed Dates for First-time Adopters	1 July 2011
IFRS 1	Severe Hyperinflation	1 July 2011
IFRS 7	Enhanced De-recognition Disclosure Requirements	1 July 2011
IAS 12	Amendments to IAS 12 – Income Taxes	1 January 2012

Available for early adoption for the current year end

New and Amended Standards

IFRS 9	Financial Instruments: Classification and Measurement	1 January 2015
IFRS 9	Additions for Financial Liability Accounting	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IAS 27(2011)	Separate Financial Statements	1 January 2013

2. New and revised standards and interpretations - cont'd

	Effective for annual periods beginning on or after
Available for early adoption for the current year end cont'd	
New and amended standards – cont'd	
IAS 28(2011) Investments in Associates and Joint Ventures	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 1(2011) Amendments to IAS 1 – Presentation of Other Comprehensive Income	1 July 2012
IAS 19 Amendments to IAS 19 – Employee Benefits	1 January 2013
IFRS 7 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2013
IAS 32 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 1 First-time Adoption of International Financial Reporting Standards (Government loans)	1 January 2013
IFRS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 16 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 32 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 34 Amendments as part of improvements to IFRSs 2011	1 January 2013
IFRS 10 Consolidated Financial Statements (Transitional arrangements)	1 January 2013

2. New and revised standards and interpretations - cont'd

Available for early adoption for the current year end cont'd

	Effective for annual periods beginning on or after
New and Amended Standards cont'd	
IFRS 11 Joint Arrangements (Transitional arrangements)	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities (Transitional arrangements)	1 January 2013
IFRS 10 Consolidated Financial Statements (Exemptions)	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities (Exemptions)	1 January 2014
IAS 27 Separate Financial Statements (Exemptions)	1 January 2014
New interpretation	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The Corporation has not opted for early adoption.

The standards and amendments that are expected to impact the Corporation's accounting policies, when adopted, are explained below.

IFRS 7
The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets and are intended to provide greater transparency around risk exposures when a financial asset is transferred. The directors do not anticipate that these amendments to IFRS 7 will have a significant effect on the Corporation's disclosures

2. New and revised standards and interpretations – cont'd

IFRS 9

IFRS 9 was issued in November 2009 and was initially required to be applied from 1 January 2013. However, new requirements were added in November 2010 and the revised date for adoption is now 1 January 2015. 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.
The application of IFRS 9 may have significant impact on amounts reported in respect of the Corporation's financial assets and financial liabilities However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.
When adopted, the standard will be applied retrospectively in accordance with IAS 8

IFRS 13

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. It applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.
When adopted, the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

2. New and revised standards and interpretations – cont'd

IAS 1

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.
The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Apart from the foregoing, none of the above new standards, interpretations and amendments to standards is expected to have a significant impact on the Corporation's accounting policies when adopted.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention.The principal accounting policies are set out below.

3. Summary of significant accounting policies-cont'd

(c) Revenue and expense recognition

Revenue is recognized in the statement of income on an accrual basis at the fair value of the consideration received.

Expenses are recognized on an accruals basis.

(d) Taxation

The Corporation is exempt from corporation and property taxes.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.
At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized in the statement of changes in equity.

3. Summary of significant accounting policies-cont'd

(f) Fixed assets and depreciation

Freehold land and buildings held for use in the supply of goods and services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less accumulated depreciation and any recognised impairment loss.

Any revaluation increase arising on the revaluation of such land and buildings is credited to capital reserve.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued land or buildings, the attributable revaluation surplus remaining in the capital reserve is transferred to the statement of comprehensive income.

Motor vehicles and machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.
No depreciation is provided on freehold land and construction work-in-progress. Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2 %
Motor vehicle	-	25 %
Machinery and equipment	-	10 %
Furniture and Fittings	-	12.50%

Assets acquired during the year are depreciated from the date of acquisition.

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the profit or loss.

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(g) Stocks

Stocks are valued at the lower of cost and net realizable value based on the first-in-first-out method. Net realizable value is the selling price in the normal course of business less selling expenses.

3. Summary of significant accounting policies-cont'd

(h) Financial liabilities

The Corporation's financial liabilities are classified as other financial liabilities.

(i) Cash and Cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(j) Bank borrowings

Interest bearing bank loans and overdrafts are recognized at amortised cost.

(k) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Corporation derecognizes financial liabilities when its obligations are discharged, cancelled or expire.

3. Summary of significant accounting policies-cont'd

(l) Financial assets

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit and loss 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.

(m) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

3. Summary of significant accounting policies-cont'd

(n) Impairment of tangible assets

At the end of each reporting period, the corporation 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 corporation 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.

(o) Provisions

Provisions are recognised when the corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the corporation 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

(p) Business reporting divisions

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.

The corporation's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

(q) Deferred Income

This represents fertilizer subvention and grants from various agencies.This balance is written off to income when utilized.

3. Summary of significant accounting policies-cont'd

(r) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(s) Derecognition of financial assets

The corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(t) <u>Government Grants</u>

Government grants received to compensate the Corporation's cost are recognised in the income statement in the period in which these costs are incurred.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Corporation's 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.

4 Critical accounting judgements and key sources of estimation uncertainty - cont'd

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.

ii) 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.

iii) 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 that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

		2012	2011
		G$	G$
5	Turnover	8,583,289	6,402,473

Turnover represents goods sold to third parties.

		2012 G$	2011 G$
6	Other Income		
	Income Receivables - T/Phone	7,893	16,072
	Promotion	450,000	3,274,400
	Pack House Fees	1,985,850	1,480,900
	Rental of building	970,000	480,000
	Miscellaneous	1,943,284	1,804,110
	Cash Overage	6,725	-
	Refund	-	586,981
	Sales of forms/documents	1,002,280	832,460
	Income from sale of tender	20,000	-
	Loss on Disposal	-	(239,392)
	Freezer Truck Income	-	895,000
	Bank interest received	124,454	2,823,371
	Read Building Fund	-	2,870,000
		6,510,486	14,823,902
7	**Government Grants**		
	Subsidy Capital	9,200,000	13,000,000
	Subsidy- Money subvention	91,295,964	80,231,976
	ALBA Fund	844,874	17,576,531
	Market Identification Study	1,551,621	-
	Competitive Asssessment Study	1,688,000	312,000
	Development of Market & Ent.	3,363,323	6,636,677
	Fertilizer subvention	282,569	451,490,366
	Farmer's Assistance Programme	-	459,650
	El Nino	4,168,859	3,978,794
	La Nina	478,325	5,861,300
	Buxton project	300,000	915,390
	ASDU - MOU	-	945,487
	North and South Pakarima project	54,700	2,468,500
	HFLAC Project	694,000	-
	Land Utilization Project	2,561,050	4,008,940
	Douchfour Project - NDIA	4,163,932	2,000,000
	Linking Farmers Market	1,950,119	-
		122,597,336	589,885,611

GUYANA MARKETING CORPORATION
NOTES ON THE ACCOUNTS

		2012 G$	2011 G$
8	Selling and distrubution		
	Advertising	1,104,230	2,323,721
	National Exhibition	-	738,760
	Packaging Expenses	92,420	-
	Freight & Airways	72,687	-
		1,269,337	3,062,481
9	Administrative expenses		
	Linking Farmers to Market	2,490,025	-
	Logistical & HFLAC Expense	1,911,668	-
	Market identification study	3,221,351	-
	Land Utilization	2,480,721	-
	Alba expense	552,660	4,196,632
	Audit fees	918,024	428,655
	Buxton expenditure	131,130	915,390
	Cleaning & sanitation	543,912	478,119
	Hope/Douchfour Farmers Project	2,291,519	-
	Christmas celebration	1,359,874	232,318
	Stipend for price report	291,000	-
	Computer expenses	626,870	492,164
	Customs duties	33,888	514,185
	Depreciation	20,202,682	19,098,480
	Donations	170,536	877,710
	Electricity	2,980,850	1,301,844
	El Nino expense	2,085,623	4,028,958
	Employment cost	54,662,728	51,034,032
	Farmer's connection	-	180,000
	Fertilizer expenses	30,000	366,809,811
	General expenses	1,872,413	1,322,797
	General consultancy	-	5,000
	Hotel accomodation	-	407,560
	Balance carried forward	98,857,474	452,323,655

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

9	Administrative expenses - cont'd	2012 G$	2011 G$
	Balance brought forward	98,857,474	452,323,655
	Hope Douchfour farmers	-	2,000,000
	Insurance	901,438	669,876
	La Nina expense	-	6,628,404
	Meals & entertainment	808,007	96,860
	MOA expenses	-	1,076,174
	Land utilization project	-	1,710,950
	Legal fees	75,400	75,400
	Market identification study	-	27,840
	Offiice expenses	341,564	13,944
	Photocopying	-	60,407
	Postage	-	1,000
	Promotional expenses	996,016	2,772,077
	Directors Fees	391,000	627,000
	Rates & taxes	515,454	380,200
	Relocation cost	-	414,760
	Rental	3,000,000	3,000,000
	Repairs & maintainance	3,398,586	3,464,696
	Security	4,692,205	3,905,504
	Staff gift voucher	-	1,069,500
	Stationery & printing	1,051,165	1,221,611
	Subscription	26,160	108,640
	Sundry	-	274,357
	Telephone	1,502,521	1,233,738
	Toshao council expenses	-	538,513
	Training - overseas	47,620	629,196
	Transportation & travel	404,208	3,681,868
	Fuel and lubricant	3,332,805	3,888,143
	Bad debts	-	38,479
	Spoilage	196,000	86,880
		120,537,623	492,019,672

10	**Financial expenses**		
	Bank charges	85,949	177,937
	Night deposit bags	83,520	83,520
	With holding tax	275,935	564,674
		445,404	826,131

11 Fixed assets

	Freehold land and buildings G$	Machinery and equipment G$	Furniture & fittings G$	Motor vehicles G$	Construction work in progress G$	Total G$
(a) Cost						
At 1 January 2012	21,779,237	86,146,174	13656009	44,039,460	19,427,577	165,620,880
Additions	-	7,915,964	5,771,797	-	14,785,432	13,687,761
Transfer	34,213,009	-	-	-	(34,213,009)	34,213,009
At 31 December 2012	55,992,246	94,062,138	19,427,806	44,039,460	-	213,521,650
Depreciation						
At 1 January 2012	2,358,702	18,688,474	8,007,855	16,885,556	-	45,940,587
Charge for the year	719,375	8,465,395	1,392,053	9,626,259	-	20,203,082
At 31 December 2012	3,078,077	27,153,869	9,399,908	26,511,815	-	66,143,669
Net book values:						
At 31 December 2012	52,914,169	66,908,269	10,027,898	17,527,645	-	147,377,981
At 31 December 2011	19,420,535	67,457,700	5,648,154	27,153,904	19,427,577	139,107,870

(a) Included in land and building is an amount of $60,729 representing the value of a building situated on land owned by the Government of Guyana.

12 Stocks

	2012	2011
	G$	G$
Finished goods	2,767,957	341,000

All inventories are expected to be recovered within 12 months.

13 Debtors and prepayments

	2012	2011
	G$	G$
Trade debtors	86,995,411	86,994,711
Other debtors	384,000	586,728
	87,379,411	87,581,439

14 Cash at bank	233,867,828	251,520,883

The interest rates on fixed deposit and short term deposit accounts are at varing rates from 2% to 4.5% (2011 - 4.5%)

15 Government of Guyana	25,102,348	25,102,348

	2012 G$	2011 G$
16 Deferred income		
Opening balance	225,335,179	626,604,304
Received during the year	19,848,137	95,384,510
Expended during the year	(21,623,047)	(496,653,635)
Closing balance	223,560,269	225,335,179

This represents:

(i) The balance of Fertiliser Subvention received on September 18,2008, to be used for purchasing of fertiliser for resale to farmers at a subsidised cost.

(ii) Unutilised funds from the following grants: Farmers' Assistance Programme,ALBA Funds, EL Nino Funds,Buxton Project, ASDU-MOU Funds,Market Identification Study,Development of Market and Enterprise Information System,Competitive Assessment Study,North and South Pakaraima Project,Toshao's Council and Land Utilisation Project.

	2012 G$	2011 G$
17 Creditors and accruals		
Sundry creditors	-	13,475,225
Accruals	3,064,445	1,465,728
	3,064,445	14,940,953
18 Republic Bank (Guyana) Limited		
Bank Overdraft (unsecured)	-	1,923,841
Rate of interest	-	18.25

19 Related party transactions

Parties are considerd to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Key Management personnel

The Corporation's 5 (2011 - 5) key mamagement personnel comprises its General Manager and Executive Managers.The remuneration paid during the year to Executive Managers is included in administrative expenses.During the year remuneration paid to these individuals amounted to $17,721,841(2011 -$16,632,048)

	2012	2011
Directors' fees paid during the year:	G$	G$
P. Cheong	35,000	55,000
P. R. Roopnarine	28,000	44,000
R. Sukhai	28,000	44,000
V. De Silva	28,000	44,000
B. Dwarka	16,000	44,000
D. Doodnauth	28,000	44,000
L. Chin	16,000	44,000
B. Sears	28,000	44,000
J. McKenzie	16,000	44,000
G. Khan	16,000	44,000
P. Persaud	16,000	44,000
J. Bhoejedat	20,000	44,000
J. David	16,000	44,000
D. Dhanraj	28,000	44,000
T. David	12,000	-
R. Jagarnauth	12,000	-
M. Nadir	12,000	-
O. Homenauth	12,000	-
A. Ameerally	12,000	-
M. Qualander	12,000	-
	391,000	627,000

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

20 Analysis of financial assets and liabilities by measurement basis

	Loans and receivable G$	Other Financial assets and liabilities at amortised cost G$	Total G$
2012			
Assets			
Debtors and prepayments	87,379,411	-	87,379,411
Cash on hand and at bank	-	233,867,828	233,867,828
	87,379,411	233,867,828	321,247,239
Liabilities			
Creditors and accruals	-	3,064,445	3,064,445
2011			
Assets			
Debtors and prepayments	87,581,439	-	87,581,439
Cash on hand and at bank	-	251,520,883	251,520,883
	87,581,439	251,520,883	339,102,322
Liabilities			
Creditors and accruals	-	14,940,953	14,940,953
Bank overdraft	-	1,923,841	1,923,841
		16,864,794	16,864,794

21 Financial risk management

Financial risk management objectives

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

The corporation 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.
The corporation's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The corporation's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The corporation uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the corporation's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all the other variables were held constant, the Corporation's profit for the year would increase/decrease by G$1,169,339 (2011: G$1,257,604). This is mainly attributable to the Corporation's exposure to interest rates on its balances at banks.

21 Financial risk management
(a) Market risk-cont'd
(i) Interest rate risk-cont'd

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

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

Interest risk tables

	Average interest rate %	Maturing 2012 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,379,411	87,379,411
Cash at bank	2 - 4.5	233,867,828	-	233,867,828
		233,867,828	87,379,411	321,247,239
Liabilities				
Creditors and accruals		-	3,064,445	3,064,445
Interest sensitivity gap		233,867,828		

	Average interest rate %	Maturing 31-12-2011 Within 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,581,439	87,581,439
Cash at bank	4.50	251,520,883	-	251,520,883
		251,520,883	87,581,439	339,102,322
Liabilities				
Creditors and accruals		-	14,940,953	14,940,953
Bank Overdraft	18.25	1,923,841	-	1,923,841
		1,923,841	14,940,953	16,864,794
Interest sensitivity gap		249,597,042		

21 Financial risk management - cont'd

(a) Market risk-cont'd

(ii) Currency risk

The Corporation's exposure to the effects of fluctuations in foreign currency exchange rates is minimal.At the end of the financial year there were no assets or liabilities denominated in foreign currencies.

(iii) Price risk

Price 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 of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The corporation is not significantly exposed to other price risks arising from equity investments.

(b) Liquidity risk

Liquidity risk is the risk that the corporation will encounter difficulty in raising funds to meet its commitments associated with payables.
The corporation manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.
The following table shows the distribution of assets and liabilities by maturity:

	Maturing 2012		
	Within 1 year		Total
	On Demand	Due 3 - 12 mths	
	G$	G$	G$
Assets			
Debtors and prepayments	87,379,411	-	87,379,411
Cash on hand and at bank	-	233,867,828	233,867,828
	87,379,411	233,867,828	321,247,239
Liabilities			
Creditors and accruals	-	3,064,445	3,064,445
Net assets	87,379,411	230,803,383	318,182,794

	Maturing 2011		
	Within 1 year		Total
	On Demand	Due 3 - 12 mths	
	G$	G$	G$
Assets			
Debtors and prepayments	87,581,439	-	87,581,439
Cash on hand and at bank	-	251,520,883	251,520,883
	87,581,439	251,520,883	339,102,322
Liabilities			
Creditors and accruals	-	14,940,953	14,940,953
Bank Overdraft (Unsecured)	1,923,841	-	1,923,841
	1,923,841	14,940,953	16,864,794
Net assets	85,657,598	236,579,930	322,237,528

21 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from failure of a customer to meet its obligations under a contract, it arises in the case of the corporation, principally from debtors and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being credit worthly, with very strong capacity to meet their obligations as they fall due.

The corporation's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management implicitly monitors the analysis of credit risk portfolio.
The corporation does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The table below shows the Corporation's maximum exposure to credit risk.

	2012 G$	2011 G$
Gross maximum exposure:		
Debtors (i)	87,379,411	87,581,439
Cash resources at banks (ii)	233,867,828	251,520,883
Total credit risk exposure	**321,247,239**	**339,102,322**

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

(i) This represent trade debtors which are collectible

(ii) Cash and cash equivalents include balances held with commercial banks.These banks have been assessed by the corporation as being credit worthy,with very strong capacity to meet their obligations as they fall due.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The corporation's maximum credit exposure, after taking account of credit loss provisions established can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2012 G$	2011 G$
Guyana	877,379,411	87,581,439

The above balances are classified as follows:.

21 Financial risk management - cont'd

(c) Credit risk-cont'd

	2012	2011
	G$	G$
Current	87,379,411	87,581,439

22 Capital risk management

The corporation 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 corporation's overall strategy remains unchanged from 2011.

The capital structure of the corporation consists of cash equivalents and equity attributable to the Government of Guyana, comprising capital, reserves and retained earnings.

23 Fair value of financial instruments

Fair values have been determined as follows:

	2012		2011	
	Carrying value	Fair value	Carrying value	Fair value
Assets	G$	G$	G$	G$
Debtors and prepayments	87,379,411	87,379,411	87,581,439	87,581,439
Cash at bank	233,867,828	233,867,828	251,520,883	251,520,883
	321,247,239	321,247,239	339,102,322	339,102,322
Liabilities				
Creditors and accruals	3,064,445	3,064,445	14,940,953	14,940,953
Bank overdraft	-	-	1,923,841	1,923,841
	3,064,445	3,064,445	16,864,794	16,864,794

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

The fair value of financial assets and financial liabilities were determined as follows:

(a) Debtors are net of specific and other provisions for impairment. The fair value of debtors is based on expected realisation of outstanding balances taking into account the corporation's history with respect to delinquencies.

(b) Financial instruments where the carrying amounts are equal to fair value:- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash, debtors and prepayment and creditors and accruals.

24 Pending litigation

There is no pending litigation.

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2013

CONTRACTED AUDITORS: TSD LAL & CO
77 BRICKDAM
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2013

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Audit Office of Guyana

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

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

273/PC: 46/2/2014

29 September 2014

RECEIVED
OCT 01 2014
GUYANA
MARKETING CORPORATION

Mr. Nizam Hassan
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Mr. Hassan,

RE: AUDIT OF THE FINANCIAL STATEMENTS FOR THE GUYANA MARKETING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2013

Please find attached thirteen (13) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE OF GUYANA

L.Ramkoomar
Audit Manager
for Auditor General

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 83/2014 29 September 2014

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE GUYANA MARKETING CORPORATION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Chartered Accountants TSD Lal and Company have audited on my behalf the financial statements of the Guyana Marketing Corporation for the year ended 31 December 2013, as set out on pages 2 to 30. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

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

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Guyana Marketing Corporation as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Public Corporation Ordinance.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

REPORT OF CHARTERED ACCOUNTANTS TSD LAL & CO

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED 31 DECEMBER, 2013

Report on the Financial Statements
We have audited the accompanying financial statements of Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2013 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 30.

Directors'/Management's Responsibility 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

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

Opinion
In our opinion the financial statements give a true and fair view, in all material respects of the financial position of Guyana Marketing Corporation as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements
The financial statements comply with the requirements of the Public Corporation Ordinance.

TSD Lal & Co

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: June 26, 2014

77Brickdam
Stabroek, Georgetown
Guyana

GUYANA MARKETING CORPORATION

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2013

	Notes	2013	2012
		G$	G$
Turnover	5	35,736,099	8,583,289
Cost of sales		29,902,180	7,021,503
Gross profit		5,833,919	1,561,786
Other income	6	11,052,904	6,510,486
Government grant	7	145,805,757	122,597,336
		162,692,580	130,669,608
Selling and distribution	8	3,666,174	1,269,337
Administrative expenses	9	152,058,596	120,537,623
Profit before interest		6,967,810	8,862,648
Financial expenses	10	707,797	445,404
Profit for the year		6,260,013	8,417,244

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

GUYANA MARKETING CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Government of Guyana G$	Retained earnings G$	Total G$
Balance at 1 January 2012	25,102,348	211,248,871	236,351,219
Profit for the year	-	8,417,244	8,417,244
Balance at 31 December,2012	25,102,348	219,666,115	244,768,463
Profit for the year	-	6,260,013	6,260,013
Balance at 31 December 2013	25,102,348	225,926,128	251,028,476

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

GUYANA MARKETING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Notes	2013 G$	2012 G$
ASSETS			
Non current assets			
Property,plant and equipment	11	156,102,360	147,377,981
Current assets			
Stocks	12	3,803,522	2,767,957
Debtors and prepayments	13	87,359,701	87,379,411
Cash at bank	14	236,235,459	233,867,828
		327,398,682	324,015,196
TOTAL ASSETS		483,501,042	471,393,177
EQUITY AND LIABILITIES			
Capital and reserves			
Government of Guyana	15	25,102,348	25,102,348
Retained earnings		225,926,128	219,666,115
		251,028,476	244,768,463
Non current liability			
Deferred income	16	230,165,951	223,560,269
Current liabilities			
Creditors and accruals	17	2,306,615	3,064,445
		2,306,615	3,064,445
TOTAL EQUITY AND LIABILITIES		483,501,042	471,393,177

"These financial statements were approved by the Board of Directors on JUN 26, 2014"

On behalf of the Board

.... Director

.... Director

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

GUYANA MARKETING CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 G$	2012 G$
Operating activities		
Profit for the year	6,260,013	8,417,244
Adjustments for:		
Loss on disposal of asset	10,408	-
Depreciation	24,267,870	20,203,082
Operating profit before working capital changes	30,538,291	28,620,326
Increase in stocks	(1,035,565)	(2,426,957)
Decrease in debtors and prepayments	19,710	202,028
Decrease in creditors and accruals	(757,830)	(11,875,508)
(Decrease)/increase in deferred income	6,605,682	(1,774,910)
Net cash provided by operating activities	35,370,288	12,744,979
Investing activities		
Purchase of fixed assets	(33,002,657)	(28,473,193)
Net cash used in investing activities	(33,002,657)	(28,473,193)
Net increase/(decrease)in cash and cash equivalents	2,367,631	(15,728,214)
Cash and cash equivalents at beginning of period	233,867,828	249,597,042
Cash and cash equivalents at end of period	236,235,459	233,868,828
Consisting:		
Cash on hand and bank	236,235,459	233,867,828

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

1. Incorporation and activities

The Corporation was incorporated in Guyana under Order 97. of 1963, made under the Public Corporation Ordinance and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products.

2. **New and revised standards and interpretations**

Effect for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 19 Amendments to IAS 19 – Employee Benefits	1 January 2013
IAS 27(2011) Separate Financial Statements	1 January 2013
IAS 28(2011) Investments in Associates and Joint Ventures	1 January 2013
IAS 1(2011) Amendments to IAS 1 – Presentation of Other Comprehensive Income	1 July 2012
IFRS 7 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS 1 First-time Adoption of International Financial Reporting Standards (Government loans)	1 January 2013
IFRS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 16 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 32 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 34 Amendments as part of improvements to IFRSs 2011	1 January 2013
IFRS 10 Consolidated Financial Statements (Transitional arrangements)	1 January 2013
IFRS 11 Joint Arrangements (Transitional arrangements)	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities (Transitional arrangements)	1 January 2013
New interpretation	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

2. New and revised standards and interpretations - cont'd

Available for early adoption for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
IFRS 7 Financial Instruments: Disclosures	1 January 2017
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2017
IFRS 9 Additions for Financial Liability Accounting	1 January 2017
IFRS 10 Consolidated Financial Statements (Exemptions)	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities (Exemptions)	1 January 2014
IAS 19 Employee Benefits	1 July 2014
IAS 27 Separate Financial Statements (Exemptions)	1 January 2014
IAS 32 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36 Impairment of Assets	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement	1 January 2014
New interpretation	
IFRIC 21 Levies	1 January 2014

The Company has not opted for early adoption.

The standards and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below.

IFRS 7

This standard is closely linked to IFRS 9. In December 2011, the IASB issued an amendment which modifies the relief from restating comparative periods and the associated disclosures.

2. New and revised standards and interpretations - cont'd

IFRS 9

IFRS 9 was issued in November 2009 and was initially required to be applied from 1 January 2013. However, new requirements were added in November 2010 and the revised date for adoption was set for 1 January 2015. However, in November 2013, consequential amendments were issued which removed the mandatory effective date. At a meeting the IASB tentatively decided that the mandatory effective date will be no earlier than annual periods beginning on or after 1 January 2017.

This standard specifies how an entity should classify and measure its financial assets.

The application of IFRS 9 may have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

When adopted, the standard will be applied retrospectively in accordance with IAS 8

2. New and revised standards and interpretations - cont'd

IAS 32

Amends the disclosure requirements in IFRS 7 Financial Instruments, to require information about all recognised financial instruments that are set off.
The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements.
The directors do not anticipate that the application of these amendments to IAS 32 and IFRS 7 will have a significant impact on the Company's financial statements as the Company does not have any financial assets and financial liabilities that qualify for offset.

IAS 36

This amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed. It clarifies the disclosures required and introduces an explicit requirement to disclose the discount rate used in determining impairment or reversals where recoverable amount is determined using a present value technique.
The directors anticipate that the application of this amendment may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

2. New and revised standards and interpretations - cont'd

IAS 39

This amendment relates to Hedge accounting.
The directors anticipate that this amendment will have no effect on the Company's financial statements as the Company does not engage in such activities.

IFRIC 21

This provides guidance on when to recognise a liability for a levy imposed by a government.
The directors anticipate that this interpretation will have no effect on the Company's financial statements as the Company is not subject to this.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention.The principal accounting policies are set out below.

3. Summary of significant accounting policies-cont'd

(c) Revenue and expense recognition

Revenue is recognized in the statement of income on an accrual basis at the fair value of the consideration received.

Expenses are recognized on an accruals basis.

(d) Taxation

The Corporation is exempt from corporation and property taxes.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.
At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized in the statement of changes in equity.

3. Summary of significant accounting policies-cont'd

(f) Fixed assets and depreciation

Freehold land and buildings held for use in the supply of goods and services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less accumulated depreciation and any recognised impairment loss.

Any revaluation increase arising on the revaluation of such land and buildings is credited to capital reserve.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued land or buildings, the attributable revaluation surplus remaining in the capital reserve is transferred to the statement of comprehensive income.

Motor vehicles and machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.
No depreciation is provided on freehold land and construction work-in-progress. Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2 %
Motor vehicle	-	25 %
Machinery and equipment	-	10 %
Furniture and Fittings	-	12.50 %

Assets acquired during the year are depreciated from the date of acquisition.

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the profit or loss.

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(g) Stocks

Stocks are valued at the lower of cost and net realizable value based on the first-in-first-out method. Net realizable value is the selling price in the normal course of business less selling expenses.

3. Summary of significant accounting policies-cont'd

(h) Financial liabilities

The Corporation's financial liabilities are classified as other financial liabilities.

(i) Cash and Cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(j) Bank borrowings

Interest bearing bank loans and overdrafts are recognized at amortised cost.

(k) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Corporation derecognizes financial liabilities when its obligations are discharged, cancelled or expire.

3. Summary of significant accounting policies-cont'd

(l) Financial assets

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit and loss 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.

(m) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

3. Summary of significant accounting policies-cont'd

(n) Impairment of tangible assets

At the end of each reporting period, the corporation 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 corporation 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.

(o) Provisions

Provisions are recognised when the corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the corporation 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

(p) Business reporting divisions

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.

The corporation's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

(q) Deferred Income

This represents fertilizer subvention and grants from various agencies.This balance is written off to income when utilized.

3. Summary of significant accounting policies-cont'd

(r) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(s) Derecognition of financial assets

The corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(t) Government Grants

Government grants received to compensate the Corporation's cost are recognised in the income statement in the period in which these costs are incurred.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Corporation's 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.

4 Critical accounting judgements and key sources of estimation uncertainty - cont'd

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.

ii) 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.

iii) 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 that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

		2013 G$	2012 G$
5	Turnover	35,736,099	8,583,289

Turnover represents goods sold to third parties.

		2013 G$	2012 G$
6	Other Income		
	Income Receivables - T/Phone	-	7,893
	Promotion	-	450,000
	Pack House Fees	1,937,653	1,985,850
	Rental of building	720,000	970,000
	Miscellaneous	5,895,173	1,943,284
	Cash Overage	4,112	6,725
	Sales of forms/documents	926,500	1,002,280
	Income from sale of tender	22,000	20,000
	Bank interest received	1,547,466	124,454
		11,052,904	6,510,486
7	**Government Grants**		
	Subsidy Capital	11,500,000	9,200,000
	Subsidy- Money subvention	105,111,439	91,295,964
	ALBA Fund	-	844,874
	Market Identification Study	2,048,379	1,551,621
	Competitive Asssessment Study	-	1,688,000
	Development of Market & Ent.	-	3,363,323
	Fertilizer subvention	-	282,569
	ASDU - Generator	1,822,475	-
	El Nino	961,880	4,168,859
	La Nina	-	478,325
	Buxton project	90,000	300,000
	Caribbean week of agriculture	16,016,345	-
	North and South Pakarima project	45,000	54,700
	HFLAC Project	152,161	694,000
	Land Utilization Project	-	2,561,050
	Douchfour Project - NDIA	208,197	4,163,932
	Linking Farmers Market	7,849,881	1,950,119
		145,805,757	122,597,336

	2013 G$	2012 G$
8 Selling and distrubution		
Advertising	3,393,830	1,104,230
Spoilage	29,279	-
Packaging Expenses	221,600	92,420
Freight & Airways	21,465	72,687
	3,666,174	1,269,337
9 Administrative expenses		
Linking Farmers to Market	2,576,080	2,490,025
Logistical & HFLAC Expense	1,570,293	1,911,668
Market identification study	-	3,221,351
Land Utilization	-	2,480,721
Alba expense	-	552,660
Audit fees	2,250,945	918,024
Buxton expenditure	427,678	131,130
Cleaning & sanitation	1,111,301	543,912
Hope/Douchfour Farmers Project	-	2,291,519
Christmas celebration	591,564	1,359,874
Stipend for price report	799,740	291,000
Computer expenses	448,890	626,870
Customs duties	23,343	33,888
Depreciation	24,267,870	20,202,682
Donations	122,428	170,536
Electricity	9,037,021	2,980,850
El Nino expense	913,360	2,085,623
Employment cost	56,050,456	54,662,728
Caribbean week of agriculture	17,692,795	-
Loss on disposal	10,408	-
Farmer's connection	35,000	-
Fertilizer expenses	-	30,000
General expenses	1,168,033	1,872,413
General consultancy	1,532,000	-
Hotel accomodation	598,400	-
Balance carried forward	121,227,605	98,857,474

9 Administrative expenses - cont'd	2013 G$	2012 G$
Balance brought forward	121,227,605	98,857,474
Insurance	1,125,697	901,438
Meals & entertainment	1,193,001	808,007
Legal fees	127,600	75,400
Offiice expenses	-	341,564
Promotional expenses	2,304,944	996,016
Directors Fees	318,000	391,000
Rates & taxes	313,627	515,454
Rental	3,000,000	3,000,000
Repairs & maintainance	5,160,201	3,398,586
Security	7,211,894	4,692,205
Stationery & printing	1,883,080	1,051,165
Subscription	569,960	26,160
Sundry	593,049	-
Telephone	1,563,247	1,502,521
Training	234,400	47,620
Transportation & travel	2,057,052	404,208
Fuel and lubricant	3,175,239	3,332,805
Spoilage	-	196,000
	152,058,596	120,537,623

10 Financial expenses

Bank charges	233,354	85,949
Night deposit bags	83,520	83,520
With holding tax	390,923	275,935
	707,797	445,404

11 Fixed assets

	Freehold land and buildings	Machinery and equipment	Furniture & fittings	Motor vehicles	Total
	G$	G$	G$	G$	G$
(a) Cost					
At 1 January 2013	55,992,246	94,062,138	19427806	44,039,460	213,521,650
Additions	-	24,962,437	1,540,220	6,500,000	33,002,657
Disposal	-	(502,900)	(543,535)	-	(1,046,435)
At 31 December 2013	55,992,246	118,521,675	20,424,491	50,539,460	245,477,872
Depreciation					
At 1 January 2013	3,078,077	27,153,869	9,399,908	26,511,815	66,143,669
Charge for the year	1,050,685	10,842,923	1,974,971	10,399,291	24,267,870
Disposal	-	(692,492)	(343,535)	-	(1,036,027)
At 31 December 2013	4,128,762	37,304,300	11,031,344	36,911,106	89,375,512
Net book values:					
At 31 December 2013	51,863,484	81,217,375	9,393,147	13,628,354	156,102,360
At 31 December 2012	52,914,169	66,908,269	10,027,898	17,527,645	147,377,981

(a) Included in land and building is an amount of $60,729 representing the value of a building situated on land owned by the Government of Guyana.

12 Stocks

	2013	2012
	G$	G$
Finished goods	3,803,522	2,767,957

All inventories are expected to be recovered within 12 months.

13 Debtors and prepayments

	2013	2012
	G$	G$
Trade debtors	112,990	700
Guyana Sugar Corporation	86,994,711	86,994,711
Other debtors	252,000	384,000
	87,359,701	87,379,411

14 Cash at bank

NBIC Current account	11,187,639	835,928
NBIC - GPO account	5,722,291	18,597,892
NBIC - CPC account	14,172,390	10,506,742
NBIC - Savings account	89,825,604	89,506,826
Scotia Bank Fertiliser account	(52,760)	(52,760)
Scotia Bank Fertiliser savings account	115,380,295	114,473,200
	236,235,459	233,867,828

The interest rates on fixed deposit and short term deposit accounts are at varing rates from 2% to 4.5% (2012 - 4.5%)

15 Government of Guyana	25,102,348	25,102,348

16 Deferred income

	2013 G$	2012 G$
Opening balance	223,560,269	225,335,179
Received during the year	35,800,000	19,848,137
Expended during the year	(29,194,318)	(21,623,047)
Closing balance	230,165,951	223,560,269

This represents:

(i) The balance of Fertiliser Subvention received on September 18,2008, to be used for purchasing of fertiliser for resale to farmers at a subsidised cost.

(II) Unutilised funds from the following grants: Farmers' Assistance Programme,ALBA Funds, EL Nino Funds,Buxton Project, ASDU-MOU Funds,Market Identification Study,Development of Market and Enterprise Information System,Competitive Assessment Study,North and South Pakaraima Project,Toshao's Council and Land Utilisation Project.

17 Creditors and accruals

	2013 G$	2012 G$
Accruals	2,306,615	3,064,445

18 Related party transactions

Parties are considerd to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Key Management personnel

The Corporation's 5 (2012 - 5) key mamagement personnel comprises its General Manager and Executive Managers.The remuneration paid during the year to Executive Managers is included in administrative expenses.During the year remuneration paid to these individuals amounted to $18,641,976(2012 -$17,721841)

	2013	2012
Directors' fees paid during the year:	G$	G$
P. Cheong	30,000	35,000
P. R. Roopnarine	24,000	28,000
R. Sukhai	24,000	28,000
V. De Silva	24,000	28,000
B. Dwarka	-	16,000
D. Doodnauth	24,000	28,000
L. Chin	-	16,000
B. Sears	24,000	28,000
J. McKenzie	-	16,000
G. Khan	-	16,000
P. Persaud	-	16,000
J. Bhoejedat	-	20,000
J. David	-	16,000
D. Dhanraj	24,000	28,000
T. David	24,000	12,000
R. Jagarnauth	24,000	12,000
M. Nadir	24,000	12,000
O. Homenauth	24,000	12,000
A. Ameerally	24,000	12,000
M. Qualander	24,000	12,000
	318,000	391,000

19 Analysis of financial assets and liabilities by measurement basis

	Loans and receivable G$	Other Financial assets and liabilities at amortised cost G$	Total G$
2013			
Assets			
Debtors and prepayments	87,359,701	-	87,359,701
Cash on hand and at bank	-	236,235,459	236,235,459
	87,359,701	236,235,459	323,595,160
Liabilities			
Creditors and accruals	-	2,306,615	2,306,615
2012			
Assets			
Debtors and prepayments	87,379,411	-	87,379,411
Cash on hand and at bank	-	233,867,828	233,867,828
	87,379,411	233,867,828	321,247,239
Liabilities			
Creditors and accruals	-	3,064,445	3,064,445

20 Financial risk management

Financial risk management objectives

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

The corporation 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.
The corporation's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The corporation's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The corporation uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the corporation's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all the other variables were held constant, the Corporation's profit for the year would increase/decrease by G$1,181,177 (2012: G$1,169,339). This is mainly attributable to the Corporation's exposure to interest rates on its balances at banks.

20 Financial risk management
(a) Market risk-cont'd
(i) Interest rate risk-cont'd

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

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

Interest risk tables

	Average interest rate %	Maturing 2013 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,359,701	87,359,701
Cash at bank	2 - 4.5	236,235,459	-	236,235,459
		236,235,459	87,359,701	323,595,160
Liabilities				
Creditors and accruals		-	2,306,615	2,306,615
Interest sensitivity gap		236,235,459		

		Maturing 2012 Within 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,379,411	87,379,411
Cash at bank	4.50	233,867,828	-	233,867,828
		233,867,828	87,379,411	321,247,239
Liabilities				
Creditors and accruals		-	3,064,445	3,064,445
		-	3,064,445	3,064,445
Interest sensitivity gap		233,867,828		

20 Financial risk management - cont'd

(a) Market risk-cont'd

(ii) Currency risk

The Corporation's exposure to the effects of fluctuations in foreign currency exchange rates is minimal.At the end of the financial year there were no assets or liabilities denominated in foreign currencies.

(iii) Price risk

Price 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 of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The corporation is not significantly exposed to other price risks arising from equity investments.

(b) Liquidity risk

Liquidity risk is the risk that the corporation will encounter difficulty in raising funds to meet its commitments associated with payables.

The corporation manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of assets and liabilities by maturity:

	Maturing 2013		
	Within 1 year		Total
	On Demand	Due 3 - 12 mths	
	G$	G$	G$
Assets			
Debtors and prepayments	87,359,701	-	87,359,701
Cash on hand and at bank	-	236,235,459	236,235,459
	87,359,701	236,235,459	323,595,160
Liabilities			
Creditors and accruals	-	2,306,615	2,306,615
Net assets	87,359,701	233,928,844	321,288,545

	Maturing 2012		
	Within 1 year		Total
	On Demand	Due 3 - 12 mths	
	G$	G$	G$
Assets			
Debtors and prepayments	87,379,411	-	87,379,411
Cash on hand and at bank	-	233,867,828	233,867,828
	87,379,411	233,867,828	321,247,239
Liabilities			
Creditors and accruals	-	3,064,445	3,064,445
	-	3,064,445	3,064,445
Net assets	87,379,411	230,803,383	318,182,794

20 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from failure of a customer to meet its obligations under a contract, it arises in the case of the corporation, principally from debtors and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being credit worthly, with very strong capacity to meet their obligations as they fall due.

The corporation's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management implicitly monitors the analysis of credit risk portfolio.
The corporation does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The table below shows the Corporation's maximum exposure to credit risk.

	2013	2012
Gross maximum exposure:	**G$**	**G$**
Debtors (i)	87,359,701	87,379,411
Cash resources at banks (ii)	236,235,459	233,867,828
Total credit risk exposure	**323,595,160**	**321,247,239**

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

(i) This represent trade debtors which are collectible

(ii) Cash and cash equivalents include balances held with commercial banks.These banks have been assessed by the corporation as being credit worthy,with very strong capacity to meet their obligations as they fall due.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The corporation's maximum credit exposure, after taking account of credit loss provisions established can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2013	2012
	G$	G$
Guyana	87,359,701	87,379,411

The above balances are classified as follows:.

20 Financial risk management - cont'd

(c) Credit risk-cont'd

	2013	2012
	G$	**G$**
Current	87,359,701	87,379,411

21 Capital risk management

The corporation manages its capital to ensure that it will be able to continue as a going concer maximising the return to stakeholders through the optimisation of the debt and equity balance. The corporation's overall strategy remains unchanged from 2012.

The capital structure of the corporation consists of cash equivalents and equity attributable to the Government of Guyana, comprising capital, reserves and retained earnings.

22 Fair value of financial instruments

Fair values have been determined as follows:

	2013		2012	
	Carrying value	Fair value	Carrying value	Fair value
Assets	G$	G$	G$	G$
Debtors and prepayments	87,359,701	87,359,701	87,379,411	87,379,411
Cash at bank	236,235,459	236,235,459	233,867,828	233,867,828
	323,595,160	323,595,160	321,247,239	321,247,239
Liabilities				
Creditors and accruals	2,306,615	2,306,615	3,064,445	3,064,445

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

The fair value of financial assets and financial liabilities were determined as follows:

(a) Debtors are net of specific and other provisions for impairment. The fair value of debtors is based on expected realisation of outstanding balances taking into account the corporation's history with respect to delinquencies.

(b) Financial instruments where the carrying amounts are equal to fair value:- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash, debtors and prepayment and creditors and accruals.

23 Pending litigation

There is no pending litigation.

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2014

CONTRACTED AUDITORS: TSD LAL & COMPANY
77 BRICKDAM
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2014

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Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

314/PC: 46/2/2016 13 December 2016

Ms. Ida Sealey-Adams
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Ms. Sealey-Adams,

AUDIT OF THE FINANCIAL STATEMENTS FOR THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2014

Please find attached thirteen (13) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE
N.Harcourt
N.Harcourt
Audit Manager (ag.)
for Auditor General

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 82/2016 29 December 2016

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE GUYANA MARKETING CORPORATION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Chartered Accountants TSD Lal and Company have audited on my behalf the financial statements of the Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2014 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of accounting policies and other explanatory notes as set out on pages 2 to 27. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

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

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Guyana Marketing Corporation as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Public Corporation Act.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

REPORT OF CHARTERED ACCOUNTANTS TSD LAL & CO

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED 31 DECEMBER, 2014

Report on the Financial Statements

We have audited the accompanying financial statements of Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2014 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 27.

Directors'/Management's Responsibility 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion the financial statements give a true and fair view, in all material respects of the financial position of Guyana Marketing Corporation as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Public Corporation Act.

TSD Lal & Co

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: 11 November, 2016.
77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA MARKETING CORPORATION

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2014

	Notes	2014	2013
		G$	G$
Turnover	5	40,989,847	35,736,099
Cost of sales		35,162,159	29,902,180
Gross profit		5,827,688	5,833,919
Other income	6	12,965,258	11,052,904
Government grant	7	244,253,628	145,805,757
		263,046,574	162,692,580
Selling and distribution	8	3,695,723	3,666,174
Administrative expenses	9	253,850,877	152,058,596
Profit before interest		5,499,974	6,967,810
Financial expenses	10	448,696	707,797
Profit for the year		5,051,278	6,260,013

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

GUYANA MARKETING CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Government of Guyana G$	Retained earnings G$	Total G$
Balance at 1 January 2013	25,102,348	219,666,116	244,768,464
Profit for the year-2013	-	6,260,013	6,260,013
Balance at 31 December,2013	25,102,348	225,926,129	251,028,477
Profit for the year-2014	-	5,051,278	5,051,278
Balance at 31 December 2014	25,102,348	230,977,407	256,079,755

GUYANA MARKETING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	2014 G$	2013 G$
ASSETS			
Non current assets			
Property,plant and equipment	11	143,346,742	156,102,360
Current assets			
Stocks	12	4,015,208	3,803,522
Debtors and prepayments	13	87,610,784	87,359,701
Cash at bank	14	133,122,931	236,235,459
		224,748,923	327,398,682
TOTAL ASSETS		368,095,666	483,501,042
EQUITY AND LIABILITIES			
Capital and reserves			
Government of Guyana	15	25,102,348	25,102,348
Retained earnings		230,977,407	225,926,128
		256,079,755	251,028,476
Non current liability			
Deferred income	16	110,725,870	230,165,951
Current liabilities			
Creditors and accruals	17	1,290,041	2,306,615
		1,290,041	2,306,615
TOTAL EQUITY AND LIABILITIES		368,095,666	483,501,042

"These financial statements were approved by the Board of Directors on 11 November, 2016

On behalf of the Board:

.... Director

.... Director

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

GUYANA MARKETING CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 G$	2013 G$
Operating activities		
Profit for the year	5,051,278	6,260,013
Adjustments for:		
Loss on disposal of asset	-	10,408
Depreciation	23,060,634	24,267,870
Operating profit before working capital changes	28,111,912	30,538,291
Decrease/(increase) in stocks	(211,686)	(1,035,565)
Decrease/(increase) in debtors and prepayments	(251,083)	19,710
Decrease in creditors and accruals	(1,016,574)	(757,830)
Decrease in deferred income	(121,330,748)	6,605,682
Net cash provided by/used in) operating activities	(94,698,179)	35,370,288
Investing activities		
Purchase of fixed assets	(10,305,016)	(33,002,657)
Net cash used in investing activities	(10,305,016)	(33,002,657)
Net decrease in cash and cash equivalents	(105,003,195)	2,367,631
Rewriiten Stale Dated Cheques	1,890,667	
Cash and cash equivalents at beginning of period	236,235,459	233,867,828
Cash and cash equivalents at end of period	133,122,931	236,235,459
Consisting:		
Cash on hand and bank	133,122,931	236,235,459
	133,122,931	236,235,459

1. Incorporation and activities
The Corporation was incorporated in Guyana under Section 46 of the Public Corporation Act 19:05 of the laws of Guyana and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products.

2. New and amended standards and interpretations

Effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
IFRS 10 Consolidated Financial Statements (Exemptions)	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities (Exemptions)	1 January 2014
IAS 27 Separate Financial Statements (Exemptions)	1 January 2014
IAS 32 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36 Impairment of Assets	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement	1 January 2014
New interpretation	
IFRIC 21 Levies	1 January 2014

Of the above, the following are relevant to the entity.

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities
Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas. The amendment did not have a material impact on the Company as it does not have any financial assets and financial liabilities that quality for offset.

2. New and amended standards and interpretations – cont'd

Effective for current year end – cont'd

Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment.
The amendment did not have a material impact on the disclosures or on amounts recognised in the Company's financial statement.

IFRIC 21 Levies
Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 and those where the timing and amount of the levy is certain.

There were also standards and improvements for early adoption for the current year.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention. The principal accounting policies are set out below.

(c) Revenue and expense recognition

Revenue is recognized in the statement of income on an accrual basis at the fair value of the consideration received.

Expenses are recognized on an accruals basis.

(d) Taxation

The Corporation is exempt from corporation and property taxes.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.
At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized in the statement of changes in equity.

3. Summary of significant accounting policies-cont'd

(f) Fixed assets and depreciation

Freehold land and buildings held for use in the supply of goods and services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less accumulated depreciation and any recognised impairment loss.

Any revaluation increase arising on the revaluation of such land and buildings is credited to capital reserve.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued land or buildings, the attributable revaluation surplus remaining in the capital reserve is transferred to the statement of comprehensive income.

Motor vehicles and machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.
No depreciation is provided on freehold land and construction work-in-progress. Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2 %
Motor vehicle	-	25 %
Machinery and equipment	-	10 %
Furniture and Fittings	-	12.50%

Assets acquired during the year are depreciated from the date of acquisition.

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the profit or loss.

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(g) Stocks

Stocks are valued at the lower of cost and net realizable value based on the first-in-first-out method. Net realizable value is the selling price in the normal course of business less selling expenses.

3. Summary of significant accounting policies-cont'd

(h) Financial liabilities

The Corporation's financial liabilities are classified as other financial liabilities.

(i) Cash and Cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(j) Bank borrowings

Interest bearing bank loans and overdrafts are recognized at amortised cost.

(k) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Corporation derecognizes financial liabilities when its obligations are discharged, cancelled or expire.

3. Summary of significant accounting policies-cont'd

(l) Financial assets

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit and loss 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.

(m) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

(n) Impairment of tangible assets

At the end of each reporting period, the corporation 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 corporation 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.

(o) Provisions

Provisions are recognised when the corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the corporation 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

3. Summary of significant accounting policies-cont'd

(p) Business reporting divisions
A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.
The corporation's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

(q) Deferred Income
This represents fertilizer subvention and grants from various agencies. This balance is written off to income when utilized.

(r) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(s) Derecognition of financial assets

The corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. Summary of significant accounting policies-cont'd

(t) Government Grants

Government grants received to compensate the Corporation's cost are recognised in the income statement in the period in which these costs are incurred.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Corporation's 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.

4 Critical accounting judgements and key sources of estimation uncertainty - cont'd

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.

ii) 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.

iii) 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 that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

		2014 G$	2013 G$
5	Turnover	40,989,847	35,736,099

Turnover represents goods sold to third parties.

		2014 G$	2013 G$
6	**Other Income**		
	Pack House Services	2,459,638	1,937,653
	Rental of building	1,810,000	720,000
	Miscellaneous/Other Income	4,768,688	5,895,173
	Cash Overage	26,514	4,112
	Brokerage Service	1,318,600	926,500
	Income from sale of tender	10,000	22,000
	Bank interest received	681,151	1,547,466
	Stale dated cheques wretten back	1,890,667	-
		12,965,258	11,052,904
7	**Government Grants**		
	Subsidy Capital	9,100,000	11,500,000
	Subsidy- Subvention	115,713,547	105,111,439
	ALBA Fund	1,066,500	-
	Market Identification Study	-	2,048,379
	Competitive Asssessment Study	-	-
	ASDU- Generator	1,600,082	1,822,475
	Fertilizer subvention	114,410,300	-
	El Nino	402,101	961,880
	Buxton project	63,000	90,000
	Caribbean Week of Agriculture	1,698,098	16,016,345
	North and South Pakarima project	-	45,000
	HFLAC Project	-	152,161
	Land Utilization Project	200,000	-
	Douchfour Project - NDIA	-	208,197
	Linking Farmers Market	-	7,849,881
		244,253,628	145,805,757

		2014 G$	2013 G$
8	Selling and distrubution		
	Advertising	3,322,829	3,393,830
	Spoilage	206,704	29,279
	Packaging Expenses	162,190	221,600
	Freight & Airways	4,000	21,465
		3,695,723	3,666,174
9	Administrative expenses		
	Linking Farmers to Market	-	2,576,080
	Logistical & HFLAC Expense	-	1,570,293
	Alba expense	1,066,500	-
	Audit fees	1,678,984	2,250,945
	Buxton expenditure	63,000	427,678
	Cleaning & sanitation	1,185,655	1,111,301
	Christmas celebration	571,600	591,564
	Travelling Subsistence- Crop Reporters	1,983,040	799,740
	Computer expenses	160,708	448,890
	Customs duties	30,272	23,343
	Depreciation	23,060,632	24,267,870
	Donations	334,677	122,428
	Electricity	8,078,804	9,037,021
	El Nino expense	402,101	913,360
	Employment cost	59,799,910	56,050,456
	Caribbean Week of Agriculture	1,199,648	17,692,795
	Loss on disposal	-	10,408
	Farmer's connection	-	35,000
	Fertilizer expenses	111,204,726	-
	General expenses	3,681,846	1,168,033
	General consultancy & IT Technical Support	2,234,400	1,532,000
	Hotel accomodation	530,418	598,400
	Land Uitlization Project	200,000	
	Balance carried forward	217,466,921	121,227,605

9 Administrative expenses - cont'd	2014 G$	2013 G$
Balance brought forward	217,466,921	121,227,605
Insurance	1,148,496	1,125,697
Meals & entertainment	1,270,817	1,193,001
Legal fees	87,000	127,600
Promotional expenses	3,820,334	2,304,944
Directors Fees	1,111,000	318,000
Rates & taxes	749,007	313,627
Rental	3,000,000	3,000,000
Repairs & maintainance	5,990,283	5,160,201
Security	7,531,084	7,211,894
Stationery & printing	3,530,931	1,883,080
Subscription	326,160	569,960
Sundry	812,188	593,049
Telephone	1,382,477	1,563,247
Training	177,000	234,400
Transportation & travel	2,581,416	2,057,052
Fuel and lubricant	2,865,763	3,175,239
	253,850,877	152,058,596

10 **Financial expenses**

Bank charges	228,946	233,354
Night deposit bags	83,520	83,520
With holding tax	136,230	390,923
	448,696	707,797

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

11 Fixed assets

	Freehold land and buildings G$	Machinery and equipment G$	Furniture & fittings G$	Motor vehicles G$	Total G$
(a) Cost					
At 1 January 2014	55,992,307	118,779,342	20,141,518	50,539,460	245,452,627
Additions	1,971,080	1,723,791	60,145	6,550,000	10,305,016
At 31 December 2014	57,963,387	120,503,133	20,201,663	57,089,460	255,757,643
Depreciation					
At 1 January 2014	4,128,763	37,279,053	11,031,347	36,911,106	89,350,269
Charge for the year	1,043,545	11,456,023	2,049,923	8,511,141	23,060,632
At 31 December 2014	5,172,308	48,735,076	13,081,270	45,422,247	112,410,901
Net book values:					
At 31 December 2014	52,791,079	71,768,057	7,120,393	11,667,213	143,346,742
At 31 December 2013	51,863,544	81,500,289	9,110,171	13,628,354	156,102,358

12 Stocks

	2014 G$	2013 G$
Finished goods	4,015,208	3,803,522

All inventories are expected to be recovered within 12 months.

13 Debtors and prepayments

	2014 G$	2013 G$
Trade debtors	286,073	112,990
Guyana Sugar Corporation	86,994,711	86,994,711
Other debtors	330,000	252,000
	87,610,784	87,359,701

14 Cash at bank

Subvention Current Account	14,333,181	11,187,639
Marketing Current Account	10,583,822	5,722,291
Packaging Facilities Current Account	13,648,834	14,172,390
Saving Account	90,225,275	89,825,604
Scotia Bank Fertiliser Account	9,000	(52,760)
Scotia Bank Fertiliser Saving Account	4,322,819	115,380,295
	133,122,931	236,235,459

The interest rates on fixed deposit and short term deposit accounts are at varing rates from 2% to 4.5% (2011 - 4.5%)

15 Government of Guyana	25,102,348	25,102,348

	2014 G$	2013 G$
16 Deferred income		
Opening balance	230,165,951	223,560,269
Received during the year	-	35,800,000
Expended during the year	(119,440,081)	(29,194,318)
Closing balance	110,725,870	230,165,951

This represents:

(I) Unutilised funds from the following grants: ALBA Funds, EL Nino Funds,Buxton Project North and South Pakaralma Project and Land Utilisation Project.

	2014 G$	2013 G$
17 Creditors and accruals		
Accruals	1,290,041	2,306,615

18 Related party transactions

Parties are considerd to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Key Management personnel
The Corporation's 10 (2013 - 5) key mamagement personnel comprises its General Manager and Executive Managers.The remuneration paid during the year to Executive Managers is included in administrative expenses.During the year remuneration paid to these Individuals amounted to $11,028,711(2013 -$18,641,976)

	2014 G$	2013 G$
Directors' fees paid during the year:		
P. Cheong	110,000	30,000
P. R. Roopnarine	77,000	24,000
R. Sukhai	77,000	24,000
V. De Silva	77,000	24,000
D. Doodnauth	77,000	24,000
B. Sears	77,000	24,000
D. Dhanraj	77,000	24,000
T. David	77,000	24,000
R. Jagarnauth	77,000	24,000
M. Nadir	-	24,000
O. Homenauth	-	24,000
R. Prashad	77,000	-
V. Balgobin	77,000	-
R. Singh	77,000	-
A. Ameerally	77,000	24,000
M. Qualander	77,000	24,000
	1,111,000	318,000

20 Analysis of financial assets and liabilities by measurement basis

	Loans and receivable G$	Other Financial assets and liabilities at amortised cost G$	Total G$
2014			
Assets			
Debtors and prepayments	87,610,784	-	87,610,784
Cash on hand and at bank	-	133,122,931	133,122,931
	87,610,784	133,122,931	220,733,715
Liabilities			
Creditors and accruals	-	1,290,041	1,290,041
2013			
Assets			
Debtors and prepayments	87,359,701	-	87,359,701
Cash on hand and at bank	-	236,235,459	236,235,459
	87,359,701	236,235,459	323,595,160
Liabilities			
Creditors and accruals	-	2,306,615	2,306,615

20 Financial risk management

Financial risk management objectives

The corporation's management monitors and manages the financial risks relating to the operations of the corporation through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.
The corporation 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.
The corporation's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The corporation's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Corporation uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the corporation's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all the other variables were held constant, the Corporation's profit for the year would increase/decrease by G$665,615 (2013: G$1,181,177). This is mainly attributable to the Corporation's exposure to interest rates onits balances at bank

20 Financial risk management

(a) Market risk-cont'd

(i) Interest rate risk-cont'd

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

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

Interest risk tables

	Average interest rate %	Maturing 2014		
		1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,610,784	87,610,784
Cash at bank	2 - 4.5	133,122,931	-	133,122,931
		133,122,931	87,359,701	220,733,715
Liabilities				
Creditors and accruals		-	1,290,041	1,290,041
Interest sensitivity gap		133,122,931		

		Maturing 2013		
		Within 1 year G$	Non-interest bearing G$	Total G$
Assets				
Debtors and prepayments		-	87,359,701	87,359,701
Cash at bank	2-4.5	236,235,459	-	236,235,459
		236,235,459	87,359,701	323,595,160
Liabilities				
Creditors and accruals		-	2,306,615	2,306,615
Interest sensitivity gap		236,235,459		

21 Financial risk management - cont'd

(a) Market risk-cont'd

(ii) Currency risk

The Corporation's exposure to the effects of fluctuations in foreign currency exchange rates is minimal.At the end of the financial year there were no assets or liabilities denominated in foreign currencies.

(iii) Price risk

Price 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 of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The corporation is not significantly exposed to other price risks arising from equity investments.

(b) Liquidity risk

Liquidity risk is the risk that the corporation will encounter difficulty in raising funds to meet its commitments associated with payables.
The corporation manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.
The following table shows the distribution of assets and liabilities by maturity:

	Maturing 2014		
	Within 1 year		Total
	On Demand	Due 3 - 12 mths	
	G$	G$	G$
Assets			
Debtors and prepayments	87,610,784	-	87,610,784
Cash on hand and at bank	-	133,122,931	133,122,931
	87,610,784	133,122,931	220,733,715
Liabilities			
Creditors and accruals	-	1,290,041	1,290,041
Net assets	87,610,784	131,832,890	219,443,674

	Maturing 2013		
	Within 1 year		Total
	Within 1 year	Due 3 - 12 mths	
	G$	G$	G$
Assets			
Debtors and prepayments	87,359,701		87,359,701
Cash on hand and at bank	-	236,235,459	236,235,459
	87,359,701	236,235,459	323,595,160
Liabilities			
Creditors and accruals	-	2,306,615	2,306,615
Net assets	87,359,701	233,928,844	321,288,545

20 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from failure of a customer to meet its obligations under a contract, it arises in the case of the corporation, principally from debtors and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being creditworthly, with very strong capacity to meet their obligations as they fall due.

The corporation's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management implicitly monitors the analysis of credit risk portfolio.
The corporation does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.
The table below shows the Corporation's maximum exposure to credit risk.

	2014 G$	2013 G$
Gross maximum exposure:		
Debtors (i)	87,610,784	87,359,701
Cash resources at banks (ii)	133,122,931	236,235,459
Total credit riskexposure	**220,733,715**	**323,595,160**

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

(i) This represent trade debtors which are collectible

(ii) Cash and cash equivalents include balances held with commercial banks.These banks have been assessed by the corporation as being credit worthy,with very strong capacity to meet their obligations as they fall due.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The corporation's maximum credit exposure, after taking account of credit loss provisions established can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2014 G$	2013 G$
Guyana	87,610,784	87,359,701

The above balances are classified as follows:.

	2014 G$	2013 G$
Current	87,610,784	87,359,701

20 Financial risk management - cont'd

(c) Credit risk-cont'd

21 Capital risk management

The corporation 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 corporation's overall strategy remains unchanged from 2013.

The capital structure of the corporation consists of cash equivalents and equity attributable to the Government of Guyana, comprising capital, reserves and retained earnings.

22 Fair value of financial instruments

Fair values have been determined as follows:

	2014		2013	
	Carrying value	Fair value	Carrying value	Fair value
Assets	**G$**	**G$**	**G$**	**G$**
Debtors and prepayments	87,610,784	87,610,784	87,359,701	87,359,701
Cash at bank	133,122,931	133,122,931	236,235,459	236,235,459
	220,733,715	220,733,715	323,595,160	323,595,160
Liabilities				
Creditors and accruals	1,290,041	1,290,041	2,306,615	2,306,615

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

The fair value of financial assets and financial liabilities were determined as follows:

(a) The fair value of debtors is based on expected realisation of outstanding balances taking into account the Corporation's history with respect to delinquencies.

(b) Financial instruments where the carrying amounts are equal to fair value:- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash, debtors and prepayment and creditors and accruals.

23 Pending litigation

Event after the reporting period

There is a pending litigation which relates to fraud alledgedly committed. The outcome of this litigation cannot be quantified at this stage.

TSD LAL & CO.

Chartered Accountants

Our Ref: RL/HH/vs/1079

December 08, 2016.

Mr. Owen Nester
Accountant
Guyana Marketing Corporation
Robb & Alexander Street,
GEORGETOWN.

Dear Sir,

We enclose a copy of our draft management letter for your comments. This letter contains the principal matters, which came to our attention during the course of the audit for the year ended 31 December, 2014.

Kindly let us have your comments on these points. If we do not receive a reply within two (2) weeks, we will assume that you are in agreement with the comments and recommendations and shall proceed to issue our final letter.

If you need further clarification on any of the matters stated in the letter please do not hesitate to get in touch with us.

Yours faithfully,

Ramesh Lal
Managing Partner, TSD LAL & CO.

Cc: Ms. N. Harcourt
Audit Manager (ag)
Audit Office of Guyana

Tel: 592-226-3226-8/225-0846 | Fax: 592-225-7578
www.tsdlal.com | Email: drt@networksgy.com
TSD Lal & Co. 77 Brickdam, PO Box 10506, Georgetown, Guyana

GUYANA MARKETING CORPORATION

DRAFT MANAGEMENT LETTER

FOR THE YEAR ENDED 31 DECEMBER, 2014

MATTER PREVIOUSLY REPORTED

1. RECEIVABLES

Comment

We noted that an amount of $86,994,711 was outstanding for more than one year for which no provision was made.

Implication

The amount may not be recovered.

Recommendation

Management should review this amount with a view to have adequate provision done.

Client's Comment

MATTERS NOW REPORTING

1. FIXED ASSETS

Comment

The fixed asset register had a number of discrepancies. These include a negative balance brought for building – leasehold and differences in opening balances. See appendix 1.

Implication

The fixed asset register was not adequately maintained.

Recommendation

Management should ensure that the fixed asset register is adequately maintained.

MATTERS NOW REPORTING-CONT'D

3. SYSTEM NOTES

Comment

The corporation did not maintain system notes for its accounting systems.

Implication

Controls with respect to the authorization and approval of transactions may be compromised.

Recommendation

Management should ensure that adequate documentation of systems are done.

Client's Comment

4. INTERNAL AUDIT

Comment

At the time of the audit there was no internal audit department. As such, the functions of an internal audit department were not available to ensure controls were operating satisfactorily and the assets of the corporation were safeguarded.

Implication

Controls may not be operating satisfactorily and safeguarding the corporation assets may be compromised.

Recommendation

Management should ensure that the internal auditing department has established to carry out its functions.

Client's Comment

Appendix 1

Fixed Asset Register

Negative Balance

Building - Leasehold
Balance brought forward - ($805,628)

Opening Balance Differences

Machinery and Equipment	
Balance as per 2013 audited financial statements	$118,804,651
Balance brought forward for the year in review	$118,779,342
	25,309

Furniture and Fittings	
Balance as per 2013 audited financial statements	$20,828,585
Balance brought forward for the year in review	$20,141,518
	687,067

Depreciation - Machinery and Equipment	
Balance as per 2013 audited financial statements	$37,304,300
Balance brought forward for the year in review	$37,279,053
	25,247

Appendix 2

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2015

CONTRACTED AUDITORS: TSD LAL & COMPANY
77 BRICKDAM
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

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

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Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

79/PC: 46/2/2018

1 March 2018

Ms. Ida Sealey-Adams
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Ms. Sealey-Adams,

AUDIT OF THE FINANCIAL STATEMENTS FOR THE GUYANA MARKETING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2015

Please find attached eleven (11) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE GUYANA

N.Harcourt

N.Harcourt
Audit Manager (ag.)
for Auditor General

Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 56/2018 1 March 2018

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

Chartered Accountants TSD Lal and Company have audited on my behalf the financial statements of the Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2015, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of accounting policies and other explanatory notes as set out on pages 2 to 23.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, of the financial position of the Guyana Marketing Corporation as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Public Corporation Act.

AUDIT OFFICE

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

GUYANA MARKETING CORPORATION

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER, 2015
AN INDEPENDENT AUDITOR'S REPORT

REPORT OF CHARTERED ACCOUNTANTS TSD LAL & CO

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED 31 DECEMBER, 2015

Report on the Financial Statements

We have audited the accompanying financial statements of Guyana Marketing Corporation which comprise the statement of financial position as at 31 December 2015 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 23.

Directors'/Management's Responsibility 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Public Corporation Ordinance.

TSD Lal & Co

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: February 15, 2018
77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA MARKETING CORPORATION

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2015

	Notes	2015 G$	2014 G$
Turnover	5	40,777,351	40,989,847
Cost of sales		35,463,128	35,162,159
Gross profit		5,314,223	5,827,688
Other income	6	7,501,231	12,965,258
Government grant	7	131,073,124	244,253,628
		143,888,578	263,046,574
Selling and distribution	8	3,559,984	3,695,723
Administrative expenses	9	139,891,510	253,850,877
Profit before interest		437,084	5,499,974
Financial expenses	10	346,163	448,696
Profit for the year		90,921	5,051,278

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

GUYANA MARKETING CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Government of Guyana G$	Retained earnings G$	Total G$
Balance at 1 January 2014		25,102,348	225,926,129	251,028,477
Profit for the year-2014		-	5,051,278	5,051,278
Balance at 31 December,2014		25,102,348	230,977,407	256,079,755
Profit for the year-2015		-	90,921	90,921
Balance at 31 December 2015		25,102,348	231,068,328	256,170,676

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

GUYANA MARKETING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015	2014
ASSETS			
Non current assets		G$	G$
Property,plant and equipment	11	126,069,001	143,346,742
Current assets			
Stocks	12	4,867,468	4,015,208
Receivables and prepayments	13	87,966,275	87,610,785
Investments	14(a)	90,422,527	90,225,275
Cash at bank	14(b)	54,904,129	42,897,656
		238,160,399	224,748,924
TOTAL ASSETS		364,229,400	368,095,666
EQUITY AND LIABILITIES			
Capital and reserves			
Government of Guyana	15	25,102,348	25,102,348
Retained earnings		231,068,328	230,977,407
		256,170,676	256,079,755
Non current liability			
Deferred income	16	106,291,309	110,725,870
Current liabilities			
Payables and accruals	17	1,767,415	1,290,041
		1,767,415	1,290,041
TOTAL EQUITY AND LIABILITIES		364,229,400	368,095,666

"These financial statements were approved by the Board of Directors on 2018-02-15

On behalf of the Board:

.... O.Chedan 2018/02/15 .... Director

.... Jagarnauth 15/2/2018 .... Director

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

GUYANA MARKETING CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 G$	2014 G$
Operating activities		
Profit for the year	90,921	5,051,278
Adjustments for:		
Rewritten Stale Dated Cheques	433,453	1,890,667
Miscellaneous	200,000	-
Gain on disposal of fixed asset net of adjustment	(622,118)	-
Depreciation	18,202,101	23,060,634
Operating profit before working capital changes	18,304,357	30,002,579
Increase in stocks	(852,260)	(211,686)
Increase in receivables and prepayments	(355,490)	(251,083)
(Increase)/decrease in payables and accruals	477,374	(1,016,574)
Decrease in deferred income	(4,434,561)	(121,330,748)
Net cash provided by/(used in) operating activities	13,139,420	(92,807,512)
Investing activities		
Packaging center	(197,252)	(399,671)
Purchase of property, plant and equipment	(935,696)	(10,305,016)
Net cash used in investing activities	(1,132,948)	(10,704,687)
Net decrease in cash and cash equivalents	12,006,472	(103,512,199)
Cash and cash equivalents at beginning of period	42,897,656	146,409,855
Cash and cash equivalents at end of period	54,904,129	42,897,656
Consisting:		
Cash on hand and bank	54,904,129	42,897,656
	54,904,129	42,897,656

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

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

1. Incorporation and activities
The Corporation was incorporated in Guyana under Section 46 of the Public Corporation Act 19:05 of the laws of Guyana and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products.

2. **ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS**

Effective for the current period

	Effective for annual periods beginning on or after
IAS 19 Employee Benefits	1February 2015
Annual Improvements 2010-2012 Cycle	1February2015
Annual Improvements 2011-2013 Cycle	1February 2015

Annual Improvements
The annual improvements program of the International Accounting Standards Board deals with amendments and clarifications to IFRS.

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations
IFRS 7 - Financial Instruments Disclosure
IFRS 9 - Financial Instruments
IFRS 14 - Regulatory deferral accounts
IFRS 15 - Revenue from contracts with customers
IFRS 10/IAS 28 - Amendments-Sale or contribution of assets
IAS 16/IAS 38 - Clarification of acceptable methods of depreciation and amortization
IFRS 11 - Amendments- Disclosure initiative
IAS 1- Amendments-Disclosure initiative
IAS 16/ IAS 41 - Amendments-Bearer plants
IAS 27 - Amendments-Equity method in separate financial statements
IAS 34 - Interim Financial Reporting

Pronouncements effective in future periods

New and Amended Standards	**Effective for annual periods beginning on or after**
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 11 Joint Arrangements	1 January 2016
IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 16 & IAS 41 Agriculture: Bearer Plants	1 January 2016
IAS 27 Separate Financial Statements	1 January 2016
IFRS 10 & IAS 28 Sale or Contribution of Assets Between Investor and Associate or Joint Venture	1 January 2016
Disclosure Initiative Amendments to IAS 1	1 January 2016

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - cont'd

Pronouncements effective in future periods

New and Amended Standards	Effective for annual periods beginning on or after
Annual improvements -2012-2014 cycle	1 July, 2016
IFRS 9 Financial Instruments: Classification, Measurement and additions for financial liability accounting	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018

The Company has not opted for early adoption.

The standards and amendments that are expected to have an impact on the company's accounting policies when adopted are explained below:

IFRS 15: Revenue from Contracts with Customers
This standard provides a single, principles based five-step model to be applied to all contracts with customers as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention. The principal accounting policies are set out below.

(c) Revenue and expense recognition

Revenue is recognized in the statement of income on an accrual basis at the fair value of the consideration received.

Expenses are recognized on an accruals basis.

3. Summary of significant accounting policies- cont'd

(d) Taxation

The Corporation is exempt from corporation and property taxes.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized in the statement of changes in equity.

(f) Property, plant and equipment and depreciation

Freehold land and buildings held for use in the supply of goods and services or for administrative purposes are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

Depreciation on buildings is charged to profit or loss.

Motor vehicles and machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.
No depreciation is provided on freehold land. Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2 %
Motor vehicle	-	25 %
Machinery and equipment	-	10 %
Furniture and Fittings	-	12.50%

Assets acquired during the year are depreciated from the date of acquisition.

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the profit or loss.

3. Summary of significant accounting policies- cont'd

(f) Property, plant and equipment and depreciation- cont'd

The gain or loss arising on the disposal or retirement of an item of property,plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(g) Stocks

Stocks are valued at the lower of cost and net realizable value based on the first-in-first-out method. Net realizable value is the selling price in the normal course of business less selling expenses.

(h) Cash and Cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Corporation derecognizes financial liabilities when its obligations are discharged, cancelled or expire.

(j) Financial assets

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit or loss 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.

3. Summary of significant accounting policies-cont'd

(k) Impairment of tangible assets

At the end of each reporting period, the corporation 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 corporation 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.

(l) Provisions

Provisions are recognised when the corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the corporation 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

(m) Business reporting divisions

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.
The corporation's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

(n) Deferred Income

This represents fertilizer subvention and grants from various agencies. This balance is written off to income when utilized.

3. Summary of significant accounting policies-cont'd

(o) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(p) Derecognition of financial assets

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(q) Government Grants

Government grants received to compensate the Corporation's cost are recognised in the statement of income in the period in which these costs are incurred.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Corporation's 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.

4 Critical accounting judgements and key sources of estimation uncertainty - cont'd

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.

ii) 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.

iii) 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 that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

		2015 G$	2014 G$
5	Turnover	40,777,351	40,989,847

Turnover represents goods sold to third parties.

		2015 G$	2014 G$
6	Other Income		
	Pack house services	4,125,734	2,459,638
	Rental of building	120,000	1,810,000
	Miscellaneous/other Income	1,284,904	4,768,688
	Cash overage	32,501	26,514
	Brokerage service	1,257,200	1,318,600
	Income from sale of tender	-	10,000
	Bank interest received	247,439	681,151
	Stale dated cheques written back	433,453	1,890,667
		7,501,231	12,965,258
7	**Government Grants**		
	Subsidy capital	-	9,100,000
	Subsidy- subvention	126,638,563	115,713,547
	ALBA fund	1,008,500	1,066,500
	ASDU- generator	1,600,000	1,600,082
	Fertilizer subvention	-	114,410,300
	El Nino	1,666,061	402,101
	Buxton project	-	63,000
	Caribbean Week of Agriculture	-	1,698,098
	Land Utilization Project	160,000	200,000
		131,073,124	244,253,628

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

		2015	2014
		G$	G$
8	Selling and distrubution		
	Advertising	3,197,520	3,322,829
	Spoilage	164,124	206,704
	Packaging expenses	198,340	162,190
	Freight & Airways	-	4,000
		3,559,984	3,695,723
9	Administrative expenses		
	Alba expense	1,008,500	1,066,500
	Audit fees	1,702,208	1,678,984
	Buxton expenditure	-	63,000
	Cleaning & sanitation	1,263,375	1,185,655
	Christmas celebration	678,285	571,600
	Travelling subsis- Crop Reporters	1,999,320	1,983,040
	Computer expenses	147,199	160,708
	Customs duties	26,500	30,272
	Depreciation	18,202,101	23,060,634
	Donations	762,024	334,675
	Electricity	8,181,170	8,078,804
	El Nino expense	1,666,061	402,101
	Employment cost	69,763,767	59,799,910
	Caribbean Week of Agriculture	-	1,199,648
	Fertilizer expenses	-	111,204,726
	General expenses	2,736,779	3,681,846
	General consultancy & IT Technical Support	1,963,930	2,234,400
	Hotel accomodation	550,450	530,418
	Land Uitlization Project	160,000	200,000
	Balance carried forward	110,811,669	217,466,921

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

		2015	2014
9	Administrative expenses - cont'd	G$	G$
	Balance brought forward	110,811,669	217,466,921
	Insurance	929,503	1,148,496
	Meals & entertainment	1,439,520	1,270,817
	Legal fees	232,000	87,000
	Promotional expenses	1,197,401	3,820,334
	Directors fees	685,000	1,111,000
	Rates & taxes	625,266	749,007
	Rental	3,000,000	3,000,000
	Repairs & maintainance	3,836,572	5,990,283
	Security	8,112,859	7,531,084
	Stationery & printing	1,728,587	3,530,931
	Subscription	353,921	326,160
	Sundry	797,559	812,188
	Miscellaneous	200,000	-
	Telephone	1,533,135	1,382,477
	Training	22,059	177,000
	Transportation & travel	1,432,131	2,581,416
	Fuel and lubricant	2,954,328	2,865,763
		139,891,510	253,850,877

		2015	2014
10	**Financial expenses**		
	Bank charges	192,275	228,946
	Night deposit bags	104,400	83,520
	With holding tax	49,488	136,230
		346,163	448,696

11 Property, plant and equipment

	Freehold Land and Buildings	Machinery and Equipment	Furniture & Fittings	Motor Vehicles	Total	2014
	G$	G$	G$	G$	G$	G$
(a) Cost						
At 1 January	57,963,387	120,503,133	20,201,663	57,089,460	255,757,643	245,452,627
Additions	-	523,162	412,534	-	935,696	10,305,016
Disposal	437,650	7,966,431	1,123,055	1,461,200	10,988,336	-
At 31 December	57,525,737	113,059,864	19,491,142	55,628,260	245,705,003	255,757,643
Depreciation						
At 1 January	5,172,308	48,735,076	13,081,270	45,422,247	112,410,901	89,350,269
Charge for the year	1,081,354	11,166,385	1,768,835	4,185,527	18,202,101	23,060,632
Disposal	1,243,278	7,238,616	1,033,906	1,461,200	10,977,000	-
At 31 December	5,010,384	52,662,845	13,816,199	48,146,574	119,636,002	112,410,901
Net book values:						
At 31 December 2015	52,515,353	60,397,019	5,674,943	7,481,687	126,069,001	
At 31 December 2014	52,791,079	71,768,057	7,120,393	11,667,213		143,346,742

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

12 Stocks

	2015	2014
	G$	G$
Finished goods	4,867,468	4,015,208

All inventories are expected to be recovered within 12 months.

13 Receivables and prepayments

	2015	2014
Trade receivables	691,564	286,073
Guyana Sugar Corporation	86,994,711	86,994,711
Other debtors	280,000	330,000
	87,966,275	87,610,784

14(a) Investments

	2015	2014
Investments	90,422,527	90,225,275

This amount represents monies allocated to construct a packaging center.

14(b) Cash at bank

	2015	2014
Subvention Current Account	28,914,611	14,333,181
Marketing Current Account	13,474,669	10,583,822
Packaging Facilities Current Account	8,183,030	13,648,834
Scotia Bank Fertiliser Account	-	9,000
Scotia Bank Fertiliser Saving Account	4,331,819	4,322,819
	54,904,129	42,897,656

The interest rates on fixed deposit and short term deposit accounts are at varing rates from 2% to 4.5% (2014 - 4.5%)

15 Government of Guyana

	2015	2014
Government of Guyana	25,102,348	25,102,348

	2015 G$	2014 G$
16 Deferred income		
At 1 January	110,725,870	230,165,951
Expended during the year	(4,434,561)	(119,440,081)
At 31 December	106,291,309	110,725,870
This represents:		

(I) Unutilised funds from the following grants: ALBA Funds, EL Nino Funds,Buxton Project North and South Pakaraima Project and Land Utilisation Project.

	2015 G$	2014 G$
17 Payables and accruals		
Accruals	1,767,415	1,290,041

18 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Key management personnel

(i) Compensation

Directors' emuluments

	2015 G$	2014 G$
P. Cheong	60,000	110,000
P. R. Roopnarine	42,000	77,000
R. Sukhai	42,000	77,000
V. De Silva	63,000	77,000
D. Doodnauth	63,000	77,000
B. Sears	63,000	77,000
D. Dhanraj	42,000	77,000
T. David	42,000	77,000
R. Jagarnauth	63,000	77,000
R. Prashad	42,000	77,000
V. Balgobin	14,000	77,000
R. Singh	14,000	77,000
A. Ameerally	42,000	77,000
M. Qualander	42,000	77,000
M. Johnson	30,000	-
M. Wilson	21,000	-
	685,000	1,111,000

(ii)

The company's key management personnel comprise its general manager.

The remuneration paid to key management personnel for the year was as follows:

Short term employee benefits 6 (2014 -5)	23,175,989	19,767,695

19 Analysis of financial assets and liabilities by measurement basis

	Loans and receivable G$	Other Financial assets and liabilities at amortised cost G$	Total G$
2015			
Assets			
Receivable and prepayments	87,966,275	-	87,966,275
Investment	-	90,422,527	90,422,527
Cash on hand and at bank	-	54,904,129	54,904,129
	87,966,275	145,326,656	233,292,931
Liabilities			
Payables and accruals	-	1,767,415	1,767,415
Deferred income	-	106,291,309	106,291,309
	-	108,058,724	108,058,724
2014			
Assets			
Receivables and prepayments	187,610,785	-	187,610,785
Investment	-	90,225,275	90,225,275
Cash on hand and at bank	-	42,897,656	42,897,656
	187,610,785	133,122,931	320,733,716
Liabilities			
Payables and accruals	-	1,290,041	1,290,041
Deferred income	-	110,725,870	110,725,870
	-	112,015,911	112,015,911

20 Financial risk management

Financial risk management objectives

The corporation's management monitors and manages the financial risks relating to the operations of the corporation through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The corporation 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. The corporation's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The corporation's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Corporation uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the corporation's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all the other variables were held constant, the Corporation's profit for the year would increase/decrease by G$726,633 (2014: G$665,615). This is mainly attributable to the Corporation's exposure to interest rates onits balances at bank

20 Financial risk management - cont'd

(a) Market risk-cont'd

(ii) Currency risk

The Corporation's exposure to the effects of fluctuations in foreign currency exchange rates is minimal.At the end of the financial year there were no assets or liabilities denominated in foreign currencies.

(iii) Price risk

Price 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 of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The corporation is not significantly exposed to other price risks arising from equity investments.

(b) Liquidity risk

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

The following table shows the distribution of assets and liabilities by maturity:

	Average interest rate	Maturing 2015		
		Within 1 year		Total
	%	On Demand	Due 3 - 12 mths	
		G$	G$	G$
Assets				
Receivables and prepayments		87,966,275	-	87,966,275
Investment		-	90,422,527	90,422,527
Cash on hand and at bank	3%	54,904,129	-	54,904,129
		142,870,404	90,422,527	233,292,931
Liabilities				
Payables and accruals		-	1,767,415	1,767,415
Net assets		87,966,275	143,559,241	231,525,516

	Average interest rate	Maturing 2014		
		Within 1 year		Total
	%	On Demand	Due 3 - 12 mths	
		G$	G$	G$
Assets				
Receivables and prepayments		-	87,610,785	87,610,785
Investment		-	90,225,275	90,225,275
Cash on hand and at bank	5%	42,897,656	-	42,897,656
		42,897,656	177,836,060	220,733,716
Liabilities				
Payables and accruals		-	1,290,041	1,290,041
		-	1,290,041	1,290,041
Net assets		42,897,656	176,546,019	219,443,675

20 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from failure of a customer to meet its obligations under a contract, it arises in the case of the corporation, principally from receivable and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being credit worthly, with very strong capacity to meet their obligations as they fall due.

The corporation's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management implicitly monitors the analysis of credit risk portfolio.
The corporation does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.
The table below shows the Corporation's maximum exposure to credit risk.

	2015	2014
Gross maximum exposure:	G$	G$
Receivables (i)	87,966,275	87,610,785
Investment	90,422,527	90,225,275
Cash resources at banks	54,904,129	42,897,656
Total credit risk exposure	**233,292,932**	**220,733,716**

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

(i) This represent trade receivable which are collectible

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The corporation's maximum credit exposure, after taking account of credit loss provisions established can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2015	2014
	G$	G$
Guyana	87,966,275	87,610,784

The above balances are classified as follows:.

Current	87,966,275	87,610,784

21 Capital risk management

The corporation 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 corporation's overall strategy remains unchanged from 2014.

The capital structure of the corporation consists of cash equivalents and equity attributable to the Government of Guyana, comprising capital, reserves and retained earnings.

22 Approval of the financial statements

The financial statements were approved by the board of directors on February 15, 2018.

TSD LAL & CO.

Chartered Accountants

Our Ref: SR/HH/vs/1222

February 15, 2018

The Chairman & Board of Directors
Guyana Marketing Corporation
Robb and Alexander Street,
GEORGETOWN.

Dear Sirs,

In accordance with our normal practice, we are reporting the results of our study and evaluation of Guyana Marketing Corporation internal accounting controls and procedures for the year ended December 31, 2015. The matters discussed in this letter should be read in conjunction with Appendix A, which sets out the context of our study and evaluation. Appendix A further indicates that our study and evaluation is related solely to the audit and is not designed for a separate opinion on the internal accounting control systems. While we cannot, therefore, express an opinion on the system of internal accounting control taken as a whole, our study and evaluation did disclose certain matters that do not constitute material weaknesses.

MATTER PREVIOUSLY REPORTED

1. RECEIVABLES

   Comment

   We noted that a loan balance due from E. Overton was coming forward from previous years.

MATTERS NOW REPORTING

INTERIM AUDIT

1. CASH SALES

   Comments

   1.1 We noted that daily sales statements were not signed 'prepared by' and 'checked by'.

   1.2 There was no indication on the daily sales statements for shortages or overages.

/2...

Tel: 592-226-3226-8/225-0846 | Fax: 592-225-7578
www.tsdlal.com | Email: drt@networksgy.com
TSD Lal & Co. 77 Brickdam, PO Box 10506, Georgetown, Guyana

MATTERS NOW REPORTING-CONT'D

INTERIM AUDIT-CONT'D

CASH SALES-CONT'D

Implications

1.1
&
1.2 The system of internal control may not be operating effectively.

Recommendations

1.1
&
1.2 Management should adhere to internal control procedures.

Client's Comments

1.1 Noted. Correction was made to this and system has been put in place to ensure timely checking off of daily sales statements.

1.2 Noted. Correction was made to this and system put in place to ensure timely checking off of daily sales statements.

FINAL AUDIT

1. FIXED ASSETS

Comments

1.1 The following documents were outstanding:

- Impairment Letter
- Property title
- Board minutes documenting approval for fixed assets written off

1.2 <u>The following vehicle registrations were outstanding.</u>

- PGG7369
- GMM8445

MATTERS NOW REPORTING-CONT'D

FINAL AUDIT-CONT'D

FIXED ASSETS-CONT'D

Implications

1.1
To
1.2 Fixed asset balances may not be fairly stated.

Recommendations

1.1
&
1.2 Management should ensure that these documents are provided to us.

Client's Comments

1.1
To
1.2 Noted.

2. RECEIVABLES

Comments

2.1 Confirmation was outstanding from Guyana Sugar Corporation.

2.2 No provision for impairment was made for the balance due from Guyana Sugar Corporation.

Implications

2.1
To
2.2 Receivables balance may not be fairly stated.

Recommendations

2.1 Management should follow up this confirmation and ensure that it is provided to us.
2.2 Management should assess the recoverability of its receivables and consider the need for a provision for impairment.

/4...

MATTERS NOW REPORTING-CONT'D

FINAL AUDIT-CONT'D

RECEIVABLES-CONT'D

Client's Comments

2.1 Noted.

2.2 Over the years, this debtor when contacted always promised to clear this debt in the requested years. However, this debt will be treated in 2016 as bad debt.

3. CASH AND BANK

Comments

3.1 Several bank confirmations were outstanding. See appendix 1.

3.2 Confirmation for the Fertilizer savings account could not be obtained because the signatories were no longer with Guyana Marketing Corporation and the account was under investigation by the Special Organised Crime Unit.

3.3 Returned cheque # 322002565 was outstanding.

Implications

3.1
To
3.3 Cash and bank balances may not be fairly stated.

Recommendations

3.1 Management should follow up these confirmations and ensure that they are provided to us.

3.2 Management should ensure that the signatories are updated upon completion of the investigation.

3.3 Management should ensure that this cheque is provided to us.

MATTERS NOW REPORTING-CONT'D

FINAL AUDIT-CONT'D

CASH AND BANK-CONT'D

Client's Comments

3.1
To
3.2 Noted.

3.3 No comment received.

4. PAYABLES

Comment

Several expenses were not accrued for. See appendix 2.

Implication

Payables balance may not be fairly stated.

Recommendation

Management should ensure that all expenses incurred during the period and not paid are accrued for.

Client's Comment

Noted.

5. LOANS

Comments

5.1 We noted that payment voucher number 16604 for G$400,000 paid to Dane Duke on 09.04.2015 did not have proper supporting documentation (loan agreement).

5.2 There were several payment vouchers which were outstanding. See appendix 3.

/6...

MATTERS NOW REPORTING-CONT'D

FINAL AUDIT-CONT'D

LOANS-CONT'D

Implications

5.1
&
5.2 Loan balances may not be fairly stated

Recommendations

5.1 Management should ensure that all payment vouchers contain adequate supporting documentation.

5.2 Management should ensure that these vouchers are provided to us.

Client's comments

5.1
To
5.2 Noted.

6. BUSINESS REVIEW

Comment

The Corporation continues to receive subvention from the Government of Guyana to finance it operations. Profits for the year decreased by 94 percent when compared with the previous year.

Implication

The Corporation may be unable to sustain it operations in the future.

Recommendation

Management should ensure that the Corporation increases its activities to maintain sustainability.

Client's Comment

Noted. Systems have been put in place to increase revenue stream.

/7...

The information contained in this letter is intended solely for the use of Management and the Board of Directors and should not be used for any other purpose.

We wish to thank management and staff for the co-operation extended to us during the course of the audit.

Yours faithfully,

Saeed Rahaman
Partner, TSD LAL & CO

Cc: Mr. Owen Nester
Accountant
Guyana Marketing Corporation

Mr. D Sharma
Auditor General
Audit Office of Guyana

APPENDIX A

Our study and evaluation of the system of internal accounting control was made as part of our examination of the financial statements of Guyana Marketing Corporation for the year ended December 31, 2015 on which we reported in our auditor's report dated February 15, 2018.

During our examination we studied and evaluated Guyana Marketing Corporation system of internal accounting controls, to the extent we considered necessary in order to meet requirements of International Standards on Auditing. These standards require a study and evaluation of internal accounting control only for the purpose of determining the nature, timing and extent of the auditing procedures necessary for expressing an opinion on Guyana Marketing Corporation financial statements. Our study and evaluation is therefore, more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and would not necessarily disclose all material weaknesses in the system.

We understand that management of the Company is responsible for establishing and maintaining a system of internal accounting control and is required to assess, using estimates and judgements, the expected benefit and related costs of control procedures. In our audit we remain alert to situations where improvements should be considered or where controls may no longer be cost effective. Consequently, we make recommendations related to the objectives of a system which is designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

/2...

AUDITED FINANCIAL STATEMENTS OF THE GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2016

CONTRACTED AUDITORS: TSD LAL AND COMPANY
77 BRICKDAM
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

OPINION NO: 205/2018

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2016

TABLE OF CONTENTS

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

285/PC: 46/2/2018 24 July 2018

Ms. Ida Sealey-Adams
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Ms. Sealey-Adams,

AUDIT OF THE FINANCIAL STATEMENTS FOR THE GUYANA MARKETING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2016

Please find attached nine (9) copies of the audited financial statements, together with the report of the Auditor General, thereon.

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

With best regards.

Yours sincerely,

AUDIT OFFICE OF GUYANA

N.Harcourt

N.Harcourt
Audit Manager (ag.)
for Auditor General

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 205/2018 24 July 2018

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE GUYANA MARKETING CORPORATION ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Opinion

Chartered Accountants TSD Lal & Company Chartered Accountants have audited on my behalf the financial statements of Guyana Marketing Corporation, which comprise the statement of financial position as at 31 December 2016, and the statement of income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and explanatory notes as set out on pages 2 to 26.

In my opinion, expect for the effects of the matter described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Guyana Marketing Corporation as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The amount of $88,472,210 is reflected in the statement of financial position as receivables and prepayments. Included in this balance is an amount of $86,994,711 due from the Guyana Sugar Corporation and outstanding for more than one year for which no provision was made. The recoverability of this amount is uncertain.

Accordingly, receivables and prepayments would have been reduced by $86,994,711 while profit for the year would have been reduced by $86,994,711.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Guyana Marketing Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 IFRSs, 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 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs 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 and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of Public Corporation Ordinance.

AUDIT OFFICE OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

REPORT OF CHARTERED ACCOUNTANTS TSD LAL & CO

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED 31 DECEMBER, 2016

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guyana Marketing Corporation, which comprise the statement of financial position as at 31 December, 2016, and the statement of 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Guyana Marketing Corporation as at 31 December, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Corporation receivables and prepayments are carried in the statements of financial position at $88,472,210. Included in this balance is an amount of $ 86,994,711 due from the Guyana Sugar Corporation and outstanding for more than one year for which no provision was made. The recoverability of this amount is uncertain.

Accordingly, receivables and prepayments would have been reduced by $ 86,994,711 while profit for the would have been reduced by $86,994,711.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Guyana Marketing Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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

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 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 judgement 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.

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of Public Corporation Ordinance.

TSD Lal & Co.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: June 30, 2018

77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA MARKETING CORPORATION

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2016

	Notes	2016	2015
		G$	G$
Turnover	5	42,100,977	40,777,351
Cost of sales		36,073,150	35,463,128
Gross profit		6,027,827	5,314,223
Other income	6	7,359,160	7,301,231
Government grant	7	147,552,294	131,073,124
		160,939,281	143,688,578
Selling and distribution	8	1,766,159	3,559,984
Administrative expenses	9	147,522,168	139,691,510
Profit before interest		11,650,954	437,084
Financial expenses	10	414,285	346,163
Profit for the year		11,236,669	90,921

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

GUYANA MARKETING CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Government of Guyana G$	Retained earnings G$	Total G$
Balance at 1 January 2015	25,102,348	230,977,407	256,079,755
Profit for the year-2015	-	90,921	90,921
Balance at 31 December,2015	25,102,348	231,068,328	256,170,676
Profit for the year-2016	-	11,236,669	11,236,669
Balance at 31 December 2016	25,102,348	242,304,997	267,407,345

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

GUYANA MARKETING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016	2015
ASSETS		G$	G$
Non current assets			
Property,plant and equipment	11	116,090,239	126,069,001
Current assets			
Inventory	12	3,583,002	4,867,468
Receivables and prepayments	13	88,472,210	87,966,275
Investment	14(a)	91,020,466	90,422,526
Cash at bank	14(b)	73,340,545	54,904,130
		256,416,224	238,160,399
TOTAL ASSETS		372,506,463	364,229,400
EQUITY AND LIABILITIES			
Capital and reserves			
Government of Guyana	15	25,102,348	25,102,348
Retained earnings		242,304,997	231,068,328
		267,407,345	256,170,676
Non current liability			
Deferred income	16	103,563,264	106,291,309
Current liabilities			
Payables and accruals	17	1,535,854	1,767,415
		1,535,854	1,767,415
TOTAL EQUITY AND LIABILITIES		372,506,463	364,229,400

These financial statements were approved by the Directors on JUNE 30, 2018

.... **Director**

.... **Director**

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

GUYANA MARKETING CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 G$	2015 G$
Operating activities		
Profit for the year	11,236,669	90,921
Adjustments for:		
Rewritten Stale Dated Cheques	-	33,453
(Gain)/Loss on disposal of asset	40,951	(22,117)
Depreciation	17,009,128	18,202,101
Operating profit before working capital changes	28,286,748	18,304,358
Decrease/(increase) in inventory	1,284,466	(852,260)
Decrease/(increase) in receivables and prepayments	(505,935)	(355,491)
Increase/(decrease) in payables and accruals	(231,561)	477,374
Decrease in deferred income	(2,728,045)	(4,434,561)
Net cash provided by operating activities	26,105,673	13,139,420
Investing activities		
Purchase of property,plant and equipment	(7,071,317)	(935,696)
Net cash used in investing activities	(7,071,317)	(935,696)
Net decrease in cash and cash equivalents	19,034,356	12,203,724
Cash and cash equivalents at beginning of period	145,326,656	133,122,931
Cash and cash equivalents at end of period	164,361,011	145,326,656
Consisting:		
Cash on hand and bank	164,361,011	145,326,656
	164,361,011	145,326,656

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

1.Incorporation and activities

The Corporation was incorporated in Guyana under Section 46 of the Public Corporation Act 19:05 of the laws of Guyana and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products. The company commenced its operations on July 1, 2007.

2. New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 11 Joint Arrangements	1 January 2016
IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation And Amortization	1 January 2016
IAS 16 & IAS 41 Agriculture: Bearer Plants	1 January 2016
IAS 27 Separate Financial Statements	1 January 2016
IFRS 10 & IAS 28 Sale or Contribution of Assets Between Investor and Associate or Joint Venture	1 January 2016
Disclosure Initiative Amendments to IAS 1	1 January 2016
IFRS 10, IFRS 12 & IAS 28 Applying Consolidation Exceptions	1 January 2016
Annual Improvements 2012-2014 Cycle	1 July 2016
Pronouncements effective in future period for early adoption	
New and Amended Standards	
IAS 12 Income taxes	1 January 2017
IFRS 7 Financial Instruments: Disclosures	1 January 2017
IFRS 2 Share based Payment: Classification and measurement of share based transactions	1 January 2018
IFRS 4 Insurance contracts: Applying IFRS 9 ''Financial Instrument''with ''IFRS 4 ''Insurance Contracts''	1 January 2018
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2018
IFRS 9 Additions for Financial Liability Accounting	1 January 2018

2. New and amended standards and interpretations

Amendments effective for the current year end

Pronouncements effective in future period for early adoption

IFRS 15 Revenue from Contracts With Customers	1 January 2018
IFRS 16 Leases	1 January 2019

The Company has not opted for early adoption.

The standards and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below.

IAS 12: Income Taxes
The amendments to IAS 12: Income Tax are to be applied retrospectively and are effective from 1 January 2017 with earlier application permitted. The amendments were issued to clarify recognition of deferred tax assets for unrealized losses related to debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that:
- The carrying amount of an asset does not limit the estimation of probably future profits; and that;
- when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences;

The directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

2. New and amended standards and interpretations

Amendments effective for the current year end

Pronouncements effective in future period for early adoption

IFRS 2-Share based payment
The amendment to IFRS 2-Share Based Payment clarifies the classification and measurement of share-based payment transactions. The amendments are as follows:-

(a) Accounting for cash-settled share-based payment transactions that include a performance condition;
(b) Classification of share-based payment transactions with net settlement features;
(c) Accounting for modifications of share-based payment transactions from cash-settled to equity-settled;

The directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

IFRS 9-Financial instrument
IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Early adoption must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. The presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

2.The standard contains specific transitional provisions for:
i) classification and measurement of financial assets;
ii) impairment of financial assets; and
iii) hedge accounting.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention. The principal accounting policies are set out below.

(c) Revenue and expense recognition

Revenue is recognized in the statement of income on an accrual basis at the fair value of the consideration received.

Expenses are recognized on an accruals basis.

(d) Taxation

The Corporation is exempt from corporation and property taxes.

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized in the statement of changes in equity.

3. Summary of significant accounting policies- cont'd

(f) Property, plant and equipment and depreciation

Freehold land and buildings held for use in the supply of goods and services or for administrative purposes are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

Depreciation on buildings is charged to profit or loss.

Motor vehicles and machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

No depreciation is provided on freehold land. Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2 %
Motor vehicle	-	25 %
Machinery and equipment	-	10 %
Furniture and Fittings	-	12.50%

Assets acquired during the year are depreciated from the date of acquisition.

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the profit or loss.

The gain or loss arising on the disposal orr etirement of an item of property,plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(g) Inventory

Inventory are valued at the lower of cost and net realizable value based on the first-in-first-out method. Net realizable value is the selling price in the normal course of business less selling expenses.

(h) Cash and Cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

3. Summary of significant accounting policies- cont'd

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Corporation derecognizes financial liabilities when its obligations are discharged, cancelled or expire.

(j) Financial assets

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit or loss 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.

3. Summary of significant accounting policies-cont'd

(k) Impairment of tangible assets

At the end of each reporting period, the corporation 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 corporation 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 therecoverable 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.

(l) Provisions

Provisions are recognised when the corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the corporation 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

(m) Business reporting divisions

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or aservice within a particular economic environment that are subject to risks and returns thatare different from those of divisions operating in other economic environments.
The corporation's operations are considered a single business unit with certain activitiessegmented along geographical lines viz Guyana and outside of Guyana.

(n) Deferred Income

This represents fertilizer subvention and grants from various agencies. This balance is written off to income when utilized.

3. Summary of significant accounting policies-cont'd

(o) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(p) Derecognition of financial assets

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(q) Government Grants

Government grants received to compensate the Corporation's cost are recognised in the statement of income in the period in which these costs are incurred.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Corporation's 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.

4 Critical accounting judgements and key sources of estimation uncertainty - cont'd

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.

ii) 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.

iii) 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 that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

		2016 G$	2015 G$
5	Turnover	42,100,977	40,777,351

Turnover represents goods sold to third parties.

6 Other Income

	2016 G$	2015 G$
Pack House Services	5,417,200	4,325,734
Rental of building	-	120,000
Miscellaneous/Other Income	216,327	1,284,904
Cash Overage	16,023	32,501
Brokerage Service	901,200	1,257,200
Income from sale of tender	16,500	-
Bank interest received	749,675	247,439
Stale dated cheques written back	42,235	33,453
	7,359,160	7,301,231

7 **Government Grants**

	2016 G$	2015 G$
Subsidy Capital	5,000,000	-
Subsidy- Subvention	139,824,249	126,638,563
ALBA Fund	-	1,008,500
ASDU- Generator	1,600,000	1,600,000
North and South Pakaraima Project	300,000	-
El Nino	194,800	1,666,061
Caribbean Week of Agriculture	633,245	-
Land Utilization Project	-	160,000
	147,552,294	131,073,124

		2016 G$	2015 G$
8	Selling and distrubution		
	Advertising	1,398,908	3,197,520
	Spoilage	203,251	164,124
	Packaging Expenses	164,000	198,340
		1,766,159	3,559,984
9	Administrative expenses		
	Alba expense	-	1,008,500
	Audit fees	-	1,702,208
	Cleaning & sanitation	1,539,947	1,263,375
	Christmas celebration	707,882	678,285
	Travelling Subsis- Crop Reporters	1,661,156	1,999,320
	Computer expenses	302,305	147,199
	Customs duties	28,815	26,500
	Depreciation	17,009,128	18,202,101
	Donations	970,000	762,024
	Electricity	7,560,624	8,181,170
	El Nino expense	194,800	1,666,061
	Employment cost	76,887,816	69,763,767
	Caribbean Week of Agriculture	633,245	-
	Loss on disposal	40,951	-
	North & South Pakarima Expenses	300,000	-
	General expenses	2,361,685	2,736,779
	General consultancy & IT Technical Support	3,483,055	1,963,930
	Hotel accomodation	1,307,044	550,450
	Land Uitlization Project	-	160,000
	Balance carried forward	114,988,453	110,811,669

9 Administrative expenses - cont'd	2016 G$	2015 G$
Balance brought forward	114,988,453	110,811,669
Insurance	1,393,033	929,503
Meals & Entertainment	1,649,892	1,439,520
Legal Fees	58,000	232,000
Promotional Expenses	1,695,704	1,197,401
Directors Fees	536,000	685,000
Rates & Taxes	903,273	625,266
Rental	3,000,000	3,000,000
Repairs & Maintainance	3,827,894	3,836,572
Security	9,105,111	8,112,859
Stationery & Printing	1,661,436	1,728,587
Subscription	384,720	353,921
Sundry	559,227	797,559
Telephone	1,518,540	1,533,135
Training	458,320	22,059
Transportation & Travel	2,147,663	1,432,131
Fuel and Lubricant	3,504,902	2,954,328
Bad Debt	130,000	-
	147,522,168	139,691,510

10 Financial expenses		
Bank charges	159,950	192,275
Night deposit bags	104,400	104,400
With holding tax	149,935	49,488
	414,285	346,163

NOTES ON THE ACCOUNTS

11 Fixed assets

	Freehold Land and Buildings	Machinery and Equipment	Furniture & Fittings	Motor Vehicles	2016 Total	2015
	G$	G$	G$	G$	G$	G$
(a) Cost						
At 1 January 2016	57,525,737	113,059,864	19,491,142	55,628,260	245,705,003	255,757,643
Additions	4,324,281	2,214,420	532,616	-	7,071,317	935,696
Disposal	-	290,805	170,804	-	461,609	10,988,336
At 31 December 2016	61,850,018	114,983,479	19,852,954	55,628,260	252,314,711	245,705,003
Depreciation						
At 1 January 2016	5,010,384	52,662,845	13,816,199	48,146,574	119,636,002	112,410,901
Charge for the year	1,087,040	11,258,490	1,401,098	3,262,500	17,009,128	18,202,101
Disposal	-	260,290	160,367	-	420,658	10,977,000
At 31 December 2016	6,097,424	63,661,045	15,056,930	51,409,074	136,224,472	119,636,002
Net book values:						
At 31 December 2016	55,752,594	51,322,434	4,796,024	4,219,187	116,090,239	
At 31 December 2015	52,515,353	60,397,019	5,674,943	7,481,687		126,069,001

GUYANA MARKETING CORPORATION

NOTES ON THE ACCOUNTS

12 Inventory

	2016	2015
	G$	G$
Finished goods	3,583,002	4,867,468

All inventories are expected to be recovered within 12 months.

13 Receivables and prepayments

	2015	2014
	G$	G$
Trade Receivables	1,257,499	691,564
Guyana Sugar Corporation	86,994,711	86,994,711
Other Receivables	220,000	280,000
	88,472,210	87,966,275

14 (a) Investments	91,020,466	90,422,527

This amount represents monies allocated to construct a package centre.

14 (b) Cash At Bank

Subvention Current Account	38,230,936	28,914,611
Marketing Current Account	18,932,623	13,474,669
Packaging Facilities Current Account	11,845,167	8,183,031
Scotia Bank Fertiliser Saving Account	4,331,819	4,331,819
	73,340,545	54,904,130

The interest rates on fixed deposit and short term deposit accounts are at varing rates from 2% to 4.5% (2015 - 4.5%)

15 Government of Guyana	25,102,348	25,102,348

	2016 G$	2015 G$
16 Deferred income		
Opening balance	106,291,309	110,725,870
Received during the year	-	-
Expended during the year	(2,728,045)	(4,434,561)
Closing balance	103,563,264	106,291,309

This represents:

(I) Unutilised funds from the following grants: ALBA Funds, EL Nino Funds, Buxton Project North and South Pakaraima Project and Land Utilisation Project.

	2016 G$	2015 G$
17 Payables and accruals		
Accruals	1,535,854	1,767,415

18 Related party transactions

	2016	2015
Directors' fees paid during the year:	G$	G$
P. Cheong	-	60,000
P. R. Roopnarine	-	42,000
R. Sukhai	-	42,000
V. De Silva	49,000	63,000
D. Doodnauth	89,000	63,000
B. Sears	81,000	63,000
D. Dhanraj	-	42,000
T. David	-	42,000
R. Jagarnauth	89,000	63,000
R. Prashad	-	42,000
V. Balgobin	-	14,000
R. Singh	-	14,000
A. Ameerally	-	42,000
M. Qualander	-	42,000
M. Johnson	-	30,000
M. Wilson	-	21,000
M.Johnson	147,000	-
M.Wilson	81,000	-
	536,000	685,000

Sub-committees fees are included in 2016.

19 Analysis of financial assets and liabilities by measurement basis

	Loans and receivable G$	Other Financial assets and liabilities at amortised cost G$	Total G$
2016			
Assets			
Receivables and prepayments	88,472,210	-	88,472,210
Investment	-	91,020,466	91,020,466
Cash on hand and at bank	-	73,340,545	73,340,545
	88,472,210	164,361,011	252,833,221
Liabilities			
Payables and accruals	-	1,535,854	1,535,854
Deferred income	-	103,563,264	103,563,264
	-	105,099,118	105,099,118
2015			
Assets			
Receivables and prepayments	87,966,275	-	87,966,275
Investment	-	90,422,526	90,422,526
Cash on hand and at bank	-	54,904,130	54,904,130
	87,966,275	145,326,656	233,292,931
Liabilities			
Payables and accruals	-	1,767,415	1,767,415
Deferred income	-	106,291,309	106,291,309
		108,058,724	108,058,724

20 Financial risk management

Financial risk management objectives

The corporation's management monitors and manages the financial risks relating to the operations of the corporation through internal risk reports which analyse exposnres by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The corporation 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. The corporation's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The corporation's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Corporation uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the corporation's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all the other variables were held constant, the Corporation's profit for the year would increase/decrease by G$821805 (2015: G$726,633). This is mainly attributable to the Corporation's exposure to interest rates onits balances at bank

20 Financial risk management - cont'd

(a) Market risk-cont'd

(ii) Currency risk

The Corporation's exposure to the effects of fluctuations in foreign currency exchange rates is minimal.At the end of the financial year there were no assets or liabilities denominated in foreign currencies.

(iii) Price risk

Price 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 of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The corporation is not significantly exposed to other price risks arising from equity investments.

(b) Liquidity risk

Liquidity risk is the risk that the corporation will encounter difficulty in raising funds to meet its commitments associated with payables.
The corporation manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.
The following table shows the distribution of assets and liabilities by maturity:

	Average interest rate %	Maturing 2016 Within 1 year On Demand	Due 3 - 12 mths	Total
		G$	G$	G$
Assets				
Receivables and prepayments		88,472,210	-	88,472,210
Investment		-	91,020,466	91,020,466
Cash on hand and at bank	3	-	73,340,545	73,340,545
		88,472,210	164,361,011	252,833,221
Liabilities				
Payables and accruals		-	1,535,854	1,535,854
Net assets		88,472,210	162,825,157	251,297,368

20 Financial risk management - cont'd

(a) Liquidity risk-cont'd

	Average interest rate %	Maturing 2015 Within 1 year: Within 1 year	Maturing 2015 Within 1 year: Due 3 -12 mths	Total
		G$	G$	G$
Assets				
Receivables and prepayments		87,966,275	-	87,966,275
Investment		-	90,422,526	90,422,526
Cash on hand and at bank	3	-	54,904,130	54,904,130
		87,966,275	145,326,656	233,292,931
Liabilities				
Payables and accruals		-	1,767,415	1,767,415
Net assets		87,966,275	143,559,241	231,525,516

20 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that financial loss arises from failure of a customer to meet its obligations under a contract, it arises in the case of the corporation, principally from receivable and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being credit worthly, with very strong capacity to meet their obligations as they fall due.

The corporation's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management implicitly monitors the analysis of credit risk portfolio.
The corporation does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.
The table below shows the Corporation's maximum exposure to credit risk.

	2016	2015
Gross maximum exposure:	**G$**	**G$**
Investment	91,020,466	90,225,275
Cash resources at bank	73,340,545	54,904,129
Receivables (i)	88,472,210	87,966,275
Total credit risk exposure	**252,833,221**	**233,095,679**

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

(i) This represent trade receivable which are collectible

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The corporation's maximum credit exposure, after taking account of credit loss provisions established can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2016	2015
	G$	G$
Guyana	88,472,210	87,966,275

The above balances are classified as follows:.

Current	88,472,210	87,966,275

21 Capital risk management

The corporation 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 corporation's overall strategy remains unchanged from 2014.

The capital structure of the corporation consists of cash equivalents and equity attributable to the Government of Guyana, comprising capital, reserves and retained earnings.

22 Subsequent Event

The Corporation accept liability for damage to a customer goods amounting to $4,084,362 for which no provision was made.This amount however, was not quantified or communicated to the affected party before the end of the reporting period.

23 The financial statements were approved by the board of directors on June 30, 2018.

TSD LAL & CO.

Our Ref: SR/HH/vs/771

tsd

Chartered Accountants

July 11, 2018

The Chairman & Board of Directors
Guyana Marketing Corporation
Robb and Alexander Street,
GEORGETOWN.

Dear Sirs,

In accordance with our normal practice, we are reporting the results of our study and evaluation of Guyana Marketing Corporation's internal accounting controls and procedures for the year ended December 31, 2016. The matters discussed in this letter should be read in conjunction with Appendix A, which sets out the context of our study and evaluation. Appendix A further indicates that our study and evaluation is related solely to the audit and is not designed for a separate opinion on the internal accounting control systems. While we cannot, therefore, express an opinion on the system of internal accounting control taken as a whole, our study and evaluation did disclose certain matters that do not constitute material weaknesses.

MATTER PREVIOUSLY REPORTED

FINAL AUDIT

1. RECEIVABLES

Comment

The Corporation has an outstanding receivable amounting to G$86,994,711 from the Guyana Sugar Corporation. This balance was outstanding for more than one year and was not settled nor provided for.

MATTERS NOW REPORTING

1. RECEIVABLES

Comment

There were a number of balances which were coming forward from previous years for which no provision was made. See appendix 1.

/2...

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MATTERS NOW REPORTING-CONT'D

RECEIVABLES-CONT'D

Implication

These amounts may not be recovered.

Recommendation

Management should consider making provision for these long outstanding balances.

2. CASH AND BANK

Comment

There were a number of confirmations which were outstanding on completion of the audit field work. See appendix 2.

Implication

Third party confirmations are integral part of audit evidence which should be received for us to complete the audit verification on these balances.

Recommendation

Management should follow up on outstanding confirmations.

Since we have not received a reply to our draft letter, we assume that you are in agreement with the comments and recommendations.

The information contained in this letter is intended solely for the use of Management and the Board of Directors and should not be used for any other purpose.

We wish to thank management and staff for the co-operation extended to us during the course of the audit.

Yours faithfully,

Ramesh Lal
Managing Partner, TSD LAL & CO

Cc: Mr. Owen Nester, Accountant
Guyana Marketing Corporation

Mr. D Sharma, Auditor General
Audit Office of Guyana

APPENDIX A

Our study and evaluation of the system of internal accounting control was made as part of our examination of the financial statements of Guyana Marketing Corporation for the year ended December 31, 2016 on which we reported in our auditor's report dated June 30, 2018.

During our examination we studied and evaluated Guyana Marketing Corporation's system of internal accounting controls, to the extent we considered necessary in order to meet requirements of International Standards on Auditing. These standards require a study and evaluation of internal accounting control only for the purpose of determining the nature, timing and extent of the auditing procedures necessary for expressing an opinion on Guyana Marketing Corporation financial statements. Our study and evaluation is therefore, more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and would not necessarily disclose all material weaknesses in the system.

We understand that management of the Company is responsible for establishing and maintaining a system of internal accounting control and is required to assess, using estimates and judgements, the expected benefit and related costs of control procedures. In our audit we remain alert to situations where improvements should be considered or where controls may no longer be cost effective. Consequently, we make recommendations related to the objectives of a system which is designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

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Appendix 1

Date	Invoice #	Customer	Amount G$
18.10.2013	6188	Guyana Marketing Corporation	1,500
02.12.2013	6256	Guyana Marketing Corporation	1,900
12.02.2014	6284	Guyana Marketing Corporation	3,264
12.02.2014	6287	National Drainage & Irrigation Authority	2,040
13.03.2014	6298	Spready's Supermarket	1,151
12.08.2014	6132	Ministry of Agriculture	4,250
13.08.2014	6133	Ministry of Agriculture	117,050
10.11.2014	6236	Ministry of Natural Resources	4,350
10.11.2014	6237	Ministry of Natural Resources	660
22.12.2014	6321	Ministry of Agriculture	5,200
13.03.2015	6063	Ministry of Natural Resources	5,000
09.11.2015	7467	Ministry of Agriculture	4,839
15.12.2015	6784	G & P Jaigonin Supermarket	3,840
			155,044

Appendix 2

1. Subvention account
2. Marketing account
3. Packaging Facility
4. Savings
5. Fertilizer