

**GUYANA SUGAR CORPORATION INC.**

**2016 ANNUAL REPORT**

**For the Ministry of Agriculture**

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**TABLE 1: Ten Year Review**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Un-Audited 2016
HECTARES HARVESTED	42,422	39,757	44,262	43,556	36,510	45,411	43,616	40,676	45,302	42,782	44,311
TONNES CANE MILLED ('000)	2,975	3,099	2,767	2,764	2,762	3,196	2,710	2,461	2,837	2,816	2,367
YIELDS:											
ESTATE - TONNES CANE / HECTARE	64.48	71.97	57.71	57.50	66.32	62.58	55.31	53.55	55.66	57.96	53.81
TONNES CANE / TONNE SUGAR	11.46	11.55	12.16	11.67	12.51	13.51	12.43	13.18	13.11	12.19	12.76
TONNE SUGAR / HECTARE	5.63	6.23	4.75	4.93	5.30	4.63	4.45	4.06	4.25	4.76	4.22
PRODUCTION (TONNES)											
SUGAR	259,549	266,482	226,267	233,736	220,818	236,505	218,068	186,755	216,358	231,071	183,615
HOME CONSUMPTION (TONNES):											
SUGAR	23,396	23,480	23,345	23,594	22,341	20,031	22,387	22,141	20,799	21,768	22,828
EXPORT (TONNES):											
SUGAR	237,681	244,865	205,268	217,707	195,745	210,863	196,537	163,330	189,561	212,660	158,404
SALES:											
DOMESTIC SUGAR (\$M)	1,644	1,673	1,595	1,906	2,273	1,884	2,048	2,101	2,107	2,184	2,326
AVERAGE PRICE / TONNE (\$)	70,245	71,252	68,328	76,857	101,757	94,079	91,463	94,872	101,287	100,332	101,900
EXPORT SUGAR (\$M)	25,509	27,101	23,777	24,398	18,332	23,954	26,211	23,240	17,312	15,202	15,150
AVERAGE PRICE / TONNE (\$)	107,332	110,676	115,832	112,067	93,652	113,601	133,363	142,288	91,327	71,487	95,641
AVERAGE PRICE / TONNE (US\$)	538	545	570	552	462	558	654	694	443	347	464
EMPLOYMENT COST/ \$M	16,067	17,373	17,580	15,571	15,787	18,518	19,413	20,094	22,385	21,673	18,256
(LOSS) / PROFIT BEFORE SUBSIDY AND TAX / \$M	2,429	2,159	(6,210)	(1,949)	(5,136)	(11,891)	(5,863)	(8,319)	(24,111)	(18,886)	(12,193)
(LOSS) / PROFIT AFTER SUBSIDY BEFORE TAX / \$M	2,429	2,159	(6,210)	(1,949)	(5,136)	(11,232)	(1,863)	(2,959)	(22,335)	(2,662)	(1,193)
(LOSS) / PROFIT AFTER SUBSIDY AND TAX / \$M	476	630	(4,089)	(1,323)	(7,387)	(13,896)	(1,246)	5,736	(15,730)	(1,868)	682
AVERAGE MID MARKET											
EXCHANGE RATE (G\$/ US\$)	199.50	202.99	203.34	202.99	202.83	203.63	203.99	204.99	205.98	205.98	205.98

## BOARD OF DIRECTORS

The Board of Directors of the Guyana Sugar Corporation Inc., as of December 31, 2016 are as follows:

Dr. Clive Thomas	Chairman of the Board of Directors
Mr. Nizam Ali	Director, Chairman of the Finance Sub-Committee
Ms. Louise Bouyea	Director, Chairman of the Central Tender Procurement Sub-Committee
Mr. Fritz McLean	Director, Chairman of the Diversification Sub-Committee
Mr. John Browman	Director, Chairman of the Lands Sub-Committee
Mr. George Jervis	Director
Mr. Nigel Cumberbatch	Director
Mrs. Sharon Roopchand-Edwards	Director
Mr. Vishnu Panday	Director

# AGRICULTURE OPERATIONS

## OVERVIEW

Operation during the year was influenced by extreme tropical weather conditions. During the first crop, the industry experienced a continuing of the *El Niño* weather phenomenon which began in the second half of 2015. The second crop was affected, in part by the late cessation of the heavy mid-year rains which forced a delay in the commencement of the crop, and a continuation of the crop into the year-end rains. As a result of the adverse weather conditions, cane growth; field yields; sugar recoveries; and the achievement of the estates' land preparation, replanting, harvesting and crop husbandry work programmes were all negatively affected. The late start of the second crop ultimately resulted in the carrying-forward of some 3,961.2 hectares of unharvested canes into the first crop of 2017.

A total of 183,615 tonnes of sugar was produced from the harvesting of 44,272.8 hectares. This represents an achievement of 76.7% of the budgeted sugar production budgeted for 2016.

The adverse weather during the year influenced a rodent outbreak that affected the entire industry to varying degrees. This upsurge in rodent infestation and damage is expected to severely impact yields and recoveries during 2017.

As a result of the difficulties brought on by the unfavourable weather, Estates were forced to commit additional resources in pursuit of their work programmes. Private farmers were similarly affected, and this was evident in the severe underachievement of their respective production programmes. Water management during the first crop was very critical, as Estates had to recirculate drainage water into the navigation system to facilitate punt flotation and allow for continuous factory operations. The Estates were also supported in their water management efforts by the various Conservancies Boards which instituted water rationing measures.

Adequate fertilizers, cane-ripeners and pesticides were available throughout the year. However, estates continued to struggle with fielding adequate labour for timely implementation of agricultural operations, including field sanitation and the application of agro-chemicals. Some estates did not have machines and implements fully operable and in the numbers required to compensate for the labour shortage, and to execute field operations as needed.

Machine availability and utilization throughout the year averaged 60.2% and 53.2%, respectively. In addition to land preparation, other critical operations that have been mechanized over the years, and which includes ratoon drain rehabilitation and mechanical application of fertilizers and herbicides, were also affected adversely.

The Wales estate permanently ceased sugar production the week of December 23, 2016. During the 2<sup>nd</sup> crop it had harvested some brought-forward canes that were in better condition than the true-crop canes; as such the 2<sup>nd</sup> crop closed without all the canes being harvested.

## PRODUCTION

**TABLE 2: Estates' and Farmers' Hectares Harvested, Cane Yields, Cane and Sugar Production for 2016**

Location	Hectares Harvested	Cane Yields / tonnes canes per hectare	Canes Harvested / tonnes	Factory Recoveries / tonnes cane per tonne sugar	Sugar Produced / tonnes
<b>Estate</b>					
Skeldon	7,734	49.07	379,525	14.21	26,712
Albion	8,342	60.42	504,042	11.19	45,050
Rose Hall	5,349	52.08	278,592	14.36	19,401
Blairmont	5,646	69.17	390,574	11.84	33,000
East Demerara	5,772	44.98	259,645	13.85	18,751
Wales	2,421	44.56	107,898	13.54	7,971
Uitvlugt	3,406	47.17	160,648	13.12	12,246
<b>Total</b>	<b>38,671</b>	<b>53.81</b>	<b>2,080,925</b>	<b>12.76</b>	<b>163,131</b>
<b>Farmers</b>					
Skeldon	1,835	42.31	77,630	15.31	5,070
Albion	212	42.69	9,041	12.99	696
Rose Hall	502	57.78	29,020	13.17	2,204
Blairmont					
East Demerara	252	32.39	8,170	13.83	591
Wales	2,298	52.47	120,569	13.64	8,838
Uitvlugt	541	76.60	41,446	13.44	3,085
<b>Total</b>	<b>5,640</b>	<b>50.69</b>	<b>285,876</b>	<b>13.96</b>	<b>20,484</b>
<b>INDUSTRY</b>					
Skeldon	9,569	47.78	457,155	14.38	31,782
Albion	8,554	59.98	513,083	11.22	45,746
Rose Hall	5,852	52.57	307,613	14.24	21,605
Blairmont	5,646	69.17	390,574	11.84	33,000
East Demerara	6,024	44.46	267,815	13.85	19,342
Wales	4,719	48.41	228,467	13.59	16,809
Uitvlugt	3,947	51.20	202,094	13.18	15,330
<b>Total</b>	<b>44,311</b>	<b>53.41</b>	<b>2,366,801</b>	<b>12.89</b>	<b>183,615</b>

The total production achieved for 2016 was 183,615 tonnes sugar. All estates fell below their budgeted production (tonnes cane and tonnes sugar); yields (tonnes cane per hectare) and sugar recovery (tonnes cane per tonnes sugar) values, possibly resulting from a combination of several factors which included unfavourable weather and growing conditions; water stress; elevated soil salinity; inadequate cane nutrition; extended burning-to-grinding intervals, and the worsening impact of pests, particularly rodent damage. Private farmers associated with the estates were also affected by the preceding factors. The first crop production was 56,645 tonnes, falling

23,625 tonnes below the budgeted target of 80,270 tonnes. The second crop realised a production of 126,970 tonnes of sugar, with a deficit of 32,273 tonnes below the target of 159,243 tonnes sugar.

While cane yields in the second crop were significantly better than the first crop, the entire crop could not be taken off. This happened as a result of a delayed start to the 2<sup>nd</sup> crop of between two and six weeks on the different estates, due in part to bad weather. Ultimately, all estates with the exception of Uitvlugt closed their crop in the latter two weeks of December 2016 with unharvested mature canes.

Estates' factories continued to suffer extended periods of out-of-cane which resulted mostly from labour shortages among the harvesters, and under-utilization of the mechanical harvesters and Bell cane-loaders. Harvesters' turnout for 2016 averaged 54.4%, with a poorer turnout for the 1<sup>st</sup> crop. Strikes resulted in a significant loss of harvester man-days. The shortage of labour resulted in the extension of both crops into the rainy periods.

**TABLE 3: Average Percentage (5) Turnout for Cane Harvesters on Each Estate for 2016**

Estate / Crop	SWR	AN/PM	RHE	BCF	EDE	GV	ICBU	INDUSTRY
1 <sup>st</sup> Crop	53.0	52.8	46.9	56.0	42.1	53.9	48.5	50.2
2 <sup>nd</sup> Crop	62.3	61.9	57.7	56.2	49.4	57.1	53.0	56.7
Year	60.2	58.5	54.1	56.2	46.6	55.8	50.8	54.4

**TABLE 4: Out-of-Cane Hours for each Factory/Estate for 2016**

Estate / Crop	SWR	AN/PM	RHE	BCF	EDE	GV	ICBU	INDUSTRY
1 <sup>st</sup> Crop	157.3	391.8	196.5	244.1	406.7	512.6	565.3	2,474.2
2 <sup>nd</sup> Crop	245.1	543.0	429.6	293.7	370.7	598.4	536.6	3,017.1
Year	402.4	934.7	626.1	537.9	777.4	1,111.0	1,101.8	5,491.3

## LAND PREPARATION AND PLANTING

### *Land Preparation*

In 2016 the industry completed 4,960.3 hectares of land preparation against a budget of 8,467.9 hectares (58.6% achievement). Of this total, farmers' tillage was 234.5 hectares (24.7% of the farmers' tillage programme). Shortfall in tillage was mainly as a result of a late start of the harvesting and tillage programmes, due to continuing mid-year rainfall, and low availability and utilization of the field machinery fleet. The average opportunity days available to the estates were of 25 and 42 days for the 1<sup>st</sup> and 2<sup>nd</sup> crops, respectively.

At the end of 2016, the estates have a total of 721.6 hectares of prepared land (under wet fallow conditions) that was available for planting.

### *Planting*



Estates completed 4,792.3 hectares of planting against a budget of 7,349 hectares (65.2% achievement), while farmers planted 285.4 hectares against a budget of 950.0 hectares (30.0% achievement). Farmers were, in the main, still hesitant / reluctant to undertake tillage and replanting of their fields, or to take up additional lands that were available, citing their reluctance to do so as being due to the high investment costs, and the continuing low price being paid for sugar.

The shortfall in planting on the estates occurred despite an extension of the planting season by four to six weeks in the respective crops. The deficit was partially a result of the limited amount of land tilled and progressively made available for planting, but more so the inadequacy of labour when required to undertake planting.

### *Supplying*

Estates were able to complete 3,217.1 hectares of supplying, against a budget of 3,062.1 hectares (105.1% achievement). Albion and Uitvlugt estates surpassed their supplying targets by 400.3 and 223.0 hectares, respectively. Estates took advantage of favourable rainy weather conditions during the mid-year and December periods to maximize supplying, especially in an effort to make up for the shortfall in planting.

**TABLE 5: Industry's Land Preparation, Planting and Supplying Achievements for 2016**

	<b>Tillage</b>	<b>Planting ha</b>	<b>Supplying</b>
Skeldon	1,026	1,016	487
Albion	901	1,178	892
Rose Hall	454	546	219
Blairmont	650	716	334
East Demerara	731	580	271
Uitvlugt	911	757	1,014
<b>Industry</b>	<b>4,675</b>	<b>4,792</b>	<b>3,217</b>

### PROVISION OF TECHNICAL SUPPORT

During 2016 the Agriculture Services Department continued to provide support to Estates and private farmers, ensuring that there was optimal availability of agricultural inputs such as fertilizers and pesticides, and technical skills to address critical issues. However, the unavailability of sufficient funds affected the replacement and maintenance programmes for the current fleet of field machinery, implements and other equipment, as well as water management and transport infrastructure. As a result of this inadequate expenditure on equipment and infrastructure, all Estates continue to operate with some amount of deficiency.

During the year the Department was involved in providing technical support and supervision for a number of initiatives, including:

- i. New and ongoing civil works, which included the refurbishment of several buildings at the LBI Estate that when completed will facilitate the relocation and consolidation of all Head Office operations to LBI; and the construction of a new office building at Enmore Estate to facilitate consolidation of the East Demerara Estate's administration;
- ii. The evaluation of field machinery and equipment that can be adapted and introduced for routine agricultural use;
- iii. Conducting cadastral surveys and preparing estimates for (a) developing lands identified for agricultural diversification at Wales Estate, and (b) for establishing road linkages between the Wales farmers and the Uitvlugt factory;
- iv. Monitoring the condition of drainage and irrigation (D & I) infrastructure and liaising with the National Drainage and Irrigation Authority (NDIA) for maintenance and improvements where applicable;
- v. Determining the extent of D & I services currently being provided to communities by Guysuco, and the costs associated with these services;
- vi. Determining the cost of providing road access to non-cane farmers and other parties who operate within or aback of estate lands, and preparing a proposal for recovering such costs; and,

The ASD also facilitated a preliminary review of the Guyana Defence Force's farming operations at Garden of Eden, with a view of improving land use, waste disposal, drainage and irrigation.

Staff of the Department were also routinely involved as resource personnel for training programmes conducted by the Estates, and also by the workers' union – the Guyana Agricultural and General Workers Union (GAWU).

## AGRICULTURAL INFORMATION MANAGEMENT SYSTEMS

The Agricultural Statistics arm of the Department continued to aggregate and collate agricultural production data from all Estates, and to facilitate the use of such data as means of monitoring progress, timeliness of agricultural operations and the use of resources on the estates. The continual improvement of the daily and weekly operation reports and the Field Record System (FRS) and the training of Estate personnel in the use and updating of these in-house monitoring tools, were key areas of focus for this sub-department.

Collaboration with the Information Systems Dept. in the pilot testing of the *CanePro* agricultural information system software at the East Demerara Estate, and the transfer of data from the FRS to *CanePro* was also an important project for the Statistics unit.

Monitoring of work standards; verification of field estimates; agricultural quality control, and investigations of anomalies in agricultural practices and results were also done on a routine basis by the agricultural specialists in the Department. The agricultural engineers in the Department continually monitored the maintenance, availability and appropriate utilization of field machinery and equipment on the Estates. They also increased focus on the quality of spares and

materials used for machine and equipment repairs, and the quality of workmanship accepted by Estates' field workshops.

## AGRICULTURAL ENGINEERING / CAPITAL WORKS

During 2016, the Central Workshop (CWS) at Albion manufactured 34 new cane punts, and assisted the Albion Estate with re-bottoming another 122 punts. In addition, the CWS performed 276 major repair and fabrication works for the different estates and other facilities in Guysuco.

A total of 2.204 billion dollars (GYD) was budgeted for capital projects in the agriculture department. However, due to the severe shortage of funds only 107 million dollars (4.85% of amount budgeted) was approved and expended.

## AGRICULTURE RESEARCH

In 2016, the Department's scientists have contributed monitoring and advisory support to estates where necessary. The department continues to support the Estates in technical advice and support. The weather overall in 2016 was reasonable when compared to the very dry 2015, the mean annual rainfall was 2055 mm, just over 2% above the historical mean of 2002 mm. In terms of annual distribution, extreme dry conditions prevailed during the months of January to March, with the Berbice region being driest and Demerara not far behind, with actual readings for each month recording levels well below the Long Term means for the respective months across the Industry.

Emphasis continued to be placed on the High Quality Selection Programme which is being run with close cooperation with the High Quality programme of the West Indies Sugar Central Sugarcane Breeding Station; the department commenced 2016 with 118,729 seedlings, 1,600 clones and 2,381 varieties under evaluation. During the year 47,715 seedlings were planted for stage I evaluation, 15,023 of which were established to facilitate analysis of the crosses as family. In addition, 1,913 clones were advanced to stage III and assigned their permanent identification numbers. Ten very promising varieties were selected for further evaluation in Stage VI with the prospect of becoming commercial varieties in the near future.

Throughout the year there were no major outbreaks or severe widespread infestation and damages by any of our major or minor insect or rodent pest, throughout the year. Seasonal rodent outbreak was somewhat widespread across the industry during the November-December. Weed management in Guysuco continues to emphasise pre-emergent or early post emergent herbicide applications. When effectively utilised, these chemicals give good control and result in the minimal use of post-emergent spot spraying. Screening new formulations and combinations, for efficacy and phytotoxicity continued at all estates. Efforts to bring existing problem weeds to a manageable level continued throughout 2016.

The department continues to work to with the Ministry of Agriculture, the Pesticide and Toxic Chemical Control Board (PTCCB) and Environmental Protection Agency (EPA) on safe

working area and practices for aerial application of agrichemicals. The Central Analytical & Environmental Monitoring Services (CAEMS) Forty Four Thousand Seven Hundred and Ten (44,710) analyses were conducted on Eight Thousand Eight Hundred and Sixty Eight (8,868) samples during the year. The majority of these analyses were required for the monitoring of routine operations and research projects carried out by the Corporation's Agriculture and Factory Departments.

## FACTORY OPERATIONS

### PRODUCTION

Sugar production for 2016 totalled 183,615 tonnes.

The 'El Nino' weather phenomenon in the 1<sup>st</sup> crop resulted in severe cane shortages and loss of production by 23,624 tonnes to 56,645 tonnes against an estimate of 80,270 tonnes. The 2<sup>nd</sup> crop production of 126,970 tonnes against an estimate of 137,764 tonnes was affected by factory problems and delayed start of grinding. Both crops were also affected by labour shortages particularly in the Demerara locations affecting continuous cane supply.

These challenges also resulted in very high diesel engine use, an extended crop period and a consequential increase in cost.

### WEEKLY GRINDING HOURS

Average weekly grinding hours for all factories were only 102.45 hours against a budget of 130.0 hours, however, with excellent performance from Blairmont, followed by Albion.

**TABLE 6: Average Weekly Grinding Hours for 2016**

<b>FACTORY</b>	<b>1<sup>st</sup> CROP</b>	<b>2<sup>nd</sup> CROP</b>	<b>YEAR 2016</b>
<b>SKELDON</b>	<b>85.48</b>	<b>104.51</b>	<b>100.45</b>
<b>ALBION</b>	<b>97.72</b>	<b>110.57</b>	<b>105.99</b>
<b>ROSEHALL</b>	<b>91.41</b>	<b>100.60</b>	<b>97.68</b>
<b>BLAIRMONT</b>	<b>122.31</b>	<b>121.91</b>	<b>122.05</b>
<b>ENMORE</b>	<b>86.57</b>	<b>106.16</b>	<b>99.56</b>
<b>WALES</b>	<b>84.80</b>	<b>96.12</b>	<b>92.14</b>

<b>UITVLUGT</b>	<b>91.04</b>	<b>94.50</b>	<b>92.82</b>
<b>INDUSTRY</b>	<b>95.65</b>	<b>106.00</b>	<b>102.45</b>

## OVERALL TIME UTILIZATION

Out of cane due to labour shortages and poor weather condition at all locations was significantly greater in 2016 compared to 2015.

**TABLE 7: Factory Time Loss (Hours) due to Strikes, Out of Cane and Factory Issues**

<b>FACTORY</b>	<b>STRIKE</b>	<b>OUT OF CANE</b>	<b>FACTORY TIME LOSS</b>
<b>SKELDON</b>	<b>132.50</b>	<b>402.05</b>	<b>674.73</b>
<b>ALBION</b>	<b>136.59</b>	<b>934.74</b>	<b>391.70</b>
<b>ROSEHALL</b>	<b>433.26</b>	<b>626.07</b>	<b>486.80</b>
<b>BLAIRMONT</b>	<b>263.83</b>	<b>537.87</b>	<b>308.98</b>
<b>ENMORE</b>	<b>179.32</b>	<b>777.40</b>	<b>594.82</b>
<b>WALES</b>	<b>126.08</b>	<b>1111.00</b>	<b>392.85</b>
<b>UITVLUGT</b>	<b>32.75</b>	<b>1101.84</b>	<b>200.69</b>

## POWER GENERATION

Steam generation and power house operation were the major areas of lost time at all locations, more particularly, at Skeldon, Rose Hall and East Demerara. Achieving the scheduled maintenance of engines and generators timely was a major challenge over the year 2016.

Failure of the 2.5MW turbo alternator, critical to operations at East Demerara Estate, resulted in excessive use of diesel generators and high usage of diesel fuel to generate electrical power in order to allow grinding operations to continue in the 2<sup>nd</sup> crop. The ex-Wales 2.5 MW set of similar make is identified as a replacement.

The poor state of the Skeldon boilers resulted in a premature end to the 2<sup>nd</sup> crop grinding operations. Skeldon Energy Inc. contracted external boiler examiners who pronounced the boilers unsafe for operation and recommended immediate upgrade and replacement of high pressure components for each boiler.

## ISO CERTIFICATION

ISO 9001 Ratification Audit was successfully retained at Blairmont and Enmore factories.

## CAPITAL EXPENDITURE

Capital expenditures were limited due to financial difficulties. Approximately \$200M was spent across all factories from a proposed budget of \$1.5 Billion.

## PACKAGING PLANTS

The Enmore and Blairmont packaging plant packaged for local and overseas market a total of 36,335 tonnes of sugar which represent 70% of the sugar produced in 2016 for both locations.

## DRAINAGE PUMPS

Factory operation continues to overlook the maintenance and operation of the sixty four Drainage pumps located between Uitvlugt and Skeldon factories.

## TECHNICAL SUPPORT

Three consultants were recruited to lend technical support to the department over the period and additional recruitment is planned, especially in the areas of Electrical Engineering and Instrumentation to boost the capabilities of factories.

# HUMAN RESOURCES

## HUMAN RESOURCES MANAGEMENT COMMITTEE

Approval was given by the Board at the meeting of January 12, 2016 for the establishment of the Human Resources Management Committee (HRMC), which was composed of the following:

- Human Resources Director – Chairman

- Finance Director
- General Manager, Agricultural Services
- General Manager, Technical Services
- Head, Agriculture Research Centre
- Head, Information Systems Department

The Committee was established to oversee the revised Performance Management and Development process and for coordinating a new Corporate Succession Structure, amongst others.

## HUMAN RESOURCES MANAGEMENT

Workshops were held in the following critical areas of Human Resources Management during 2016 to promote best practices:

- To Review the Corporate Human Resources Manual
- To Develop a Corporate Communication Strategy
- To Review Occupational Health and Safety Policy
- To Review Development of Quality Assurance
- To Draft an Education, Training and Development Framework
- The Implementation of Performance Appraisal System
- To Review the Roles of the Industrial Welfare Officers, Community Development Officers, and Industrial Welfare Officers/Community Development Officers

Workshop groups consisted of Human Resources Practitioners and counterparts from Finance, Agriculture, Factory, Agriculture Research, Agriculture Services and Factory Operations Departments.

## TRAINING AND DEVELOPMENT

A renewed emphasis was placed on training and development in 2016 with the reintroduction of induction programmes, along with the achievement of both in-house and external training programmes on the following areas:

- Sugar Cane Agronomy
- Rodenticides
- IT Audit for Non-IT Auditors and Practitioners
- Maximising Momentum in the Office
- Documentation Requirements for Management System
- Understanding the Requirements of the ISO 9001:2015 Standards

*GuySuCo Training Centre – Port Mourant*

*Graduates*

GTC-PM held its 55<sup>th</sup> Apprentices Graduation Ceremony on August 3, 2016. Fifty seven (57) apprentices graduated after successfully completing the four year Apprenticeship Programme, except for Sugar Boilers who completed a three year programme.

The areas of training include:

▪ Electrical	-	7
▪ Fitter Machining	-	17
▪ Agricultural Mechanic	-	14
▪ Auto Electrician	-	6
▪ Instrument Repair Mechanic	-	8
▪ Sugar Boiling Technology	-	5

### *Intake*

Fifty five (55) Apprentices were enrolled in 2016, inclusive of one (1) female. Two apprentices subsequently left the programme.

### *Apprenticeships Management Committee*

An Apprenticeships Management Committee was established and was tasked with the following:

- Conducting an examination of the second year curricula for the various trades considering technicality and relevance in the field, factory and field workshop
- Examining the academic capacity and delivery competence of the Instructors
- Reviewing the estate programmes for 3<sup>rd</sup> and 4<sup>th</sup> year Apprentices
- Examining the role of Coordinator for the development of a consistent range of responsibilities and methodologies for delivery of programmes across all locations
- Training Instructors and Coordinators in teaching methodologies
- Upgrading the capacity of the training for the utilization of computerized technology
- Examining the regrading and reclassification scheme for consistency
- Addressing any other issues that arise
- Preparing a comprehensive report to inform corporate policy and for implementation

### *In-Plant Apprentice Training*

Twenty seven (27) students participated in a one-day per week In-plant Training at Albion/PM Factory.

Seventeen (17) Fitting and Machining Apprentices also completed a one week In-Plant programme at Albion/PM Factory, while there was a six week In-Plant Training at the same location.

### *National Training for Youth Empowerment – Evening Class Programme*

The GuySuCo Training Centre, in collaboration with the Board of Industrial Training, continued to offer its Evening Class Programmes and a 140 persons graduated.



### *Technical Vocational and Educational Training (TVET) Encounter*

Mr. Sean Hamer and Mr. Delvin Austin, Monitor Inspectors from the Technical TVET Council, conducted a Quality Assurance Inspection at GTC/PM from November 21 – 24, 2016 in order to assess the Centre readiness for TVET.

### *Collaborative Efforts - Guyana School of Agriculture & The University of Guyana*

The Training Unit conducted discussions with the Academic Staff of the Guyana School of Agriculture with regard to the performance of GuySuCo's students. These included three (3) Field Foremen and one (1) Field Chargehand.

The main areas of discussion included the following:

- Overview of the two (2) year course curriculum
- Duration of Sugar Cane Agronomy course one term is considered too short to fully benefit GuySuCo's Cadets
- Quality of lectureship in Fisheries and Micro Biology

A similar meeting was held with the GuySuCo's cadets at the University of Guyana.

### *Assistance to Study*

Nine (9) employees benefitted from the scheme in the sum of \$687,346 to pursue studies in the following disciplines: accounting, information technology and human resources development

### *Bursary Awards*

Forty-two (42) children of employees throughout the Industry who wrote the National Grade Six Assessment were awarded bursaries by the Corporation. The total sum awarded to the selected students was \$252,000, and will amount to \$1,680,000 for the full five years.

## RESUSCITATION OF SPORTS

The Chief Executive was instrumental in the resuscitation of the Sports Committee, which is involved in coordinating and facilitating sports activities across the Corporation.

The Human Resources Department also provided support to the coordination of sports activities in observance of the Jubilee and Agriculture Month Celebrations. The GuySuCo Pheasants emerged as the winners of the Ministry of Agriculture Inter-Agency Sports.

## OCCUPATIONAL HEALTH AND SAFETY

### *Safety Committees Programmes*

There were 265 Occupational Health and Safety Committees meetings, where 1,660 hazards were identified during the reporting year. Approximately 78 % of the safety violations were corrected.

### *Fire Safety*

Fire incidents responses fell to 71; representing 29% fewer calls than in 2015. These incidents resulted in fire crews responding to 48 calls on the estates and 23 in the neighbouring communities.

### *Training*

A total of 5,633 employees attended OHS education and training sessions. The topics covered essential information relating to the OHS Act 32/1997, Safe System of Work, Safety Statistics, Fire Safety, Incident Reporting and Investigation, inter alia.

452 employees attended counselling sessions, primarily in relation to frequent personal injuries, and related absenteeism.

Workshops were also done to review the structure, role and responsibilities of Occupational Health and Safety Committees, and Estate Health and Safety Officers, Training and Awareness Programmes, medical surveillance and substance abuse, medical management of injury cases, and to update the Safety Booklet,

The recommendations from the Workshop were compiled into a revised Manual to be distributed for use in 2017.

### *Injuries/Accident Statistics*

Lost Time Accidents per 100,000 man-hours worked was 4.24 - the second best achievement in 17 years. However, it represented a meagre improvement of 2.7% on 2015.

There were four (4) serious accidents in the factories: Rose Hall Estate (2), Skeldon and Blairmont Estates (1) each.

### *Lost Man Days*

The average Lost Time per Lost Time Accidents was 17 days, representing an increase of 21.4 % when compared to 2015.

### *Fatal Injuries*

During the year, two fatal injuries were caused by bee stings in the Agriculture operations at Blairmont and Skeldon Estates.

## HEALTH SERVICES

### *Health Programme*

GuySuCo's Health Services Department provides appropriate, effective and timely medical care to employees, their dependents and pensioners. It continued to be a vital part of the benefits offered to workers, staff and their families. Important aspects of the function of the Health Service included:

- Periodic and Pre-employment Medical Examinations
- Health Education and Health Promotion amongst the Workforce
- First- Aid and Emergency
- Disease Surveillance/Monitoring and Evaluation
- Determination of Fitness for Duty
- Improving quality of working life

### *Contributory Hospitalisation & Maternity Scheme (CH&MS)*

Due to increasing costs in recent years, a comprehensive review of the CH&MS was undertaken and resulted in Board approval on October 4, 2016 for increased benefits, and as a consequence, adjustments in contributions.

The CH&MS Booklet was revised accordingly.

### *Health Education & Health Promotional Activities*

Health issues discussed at Primary Health Care Centres included Diabetes, HIV/Aids, Diet and Nutrition, Work Stress, Obesity, Tobacco, Physical Fitness and Exercise and Cancer.

### *Statutory Medical Examinations*

A total of 6,288 annual medical examinations were conducted across the Corporation.

### *Man Days Lost – Sickness/Injuries*

Man-days lost to sickness and injuries had a significantly negative impact on production and productivity. Total Man Days Lost (Sickness and Injuries) in 2016 was 84,824, as compared to 84,892 in 2015.

### *Medical Discharges*

A total of 85 employees were evaluated and medically discharged, compared with 86 in 2015.

### *Drug Abuse*

In keeping with the Corporation's commitment to a safe and healthy work environment, it is the Corporation's aim, through its Alcohol and Drug Abuse Policy and supporting programmes, to manage, control and ultimately eliminate the hazards to health and safety created by alcohol and drug abuse, from the workplace.

Throughout 2016, Estate Medical Officers and Medexes held eighteen (18) sessions on Alcohol and Substance Abuse at Primary Health Care Centres.

The Chief Medical Officer and Estate Medical Officers delivered presentations to workers at the GAWU Labour College.

The Alcohol and Substance Abuse Policy was being revised and work initiated for the establishment of the Employee Assistance Programme (EAP) to address substance abuse and workplace stress.

#### *Disease Trends*

Hypertension, Diabetes, Respiratory Tract Infections and Arthritis were the four most common diseases seen at the Primary Health Care Centres in 2016. This has been the trend over the past several years and is not likely to change significantly in the near future. In spite of their dominance, Hypertension and Diabetes were better controlled - 78% control of Diabetes and 84% of Hypertension.

Total number of visits for Hypertension and Diabetes in 2016 was 30,635 and 17,158 respectively. These figures represent an increase in visits for Hypertension and Diabetes in 2016 when compared with 2015, for which Hypertension was 27,512 and Diabetes was 16,785 visits.

#### *First-Aid & Emergency Service*

All Primary Health Care Centres are equipped to handle emergencies. Primary Health Care Centres Staff were trained in the use of protocols to manage emergencies. In 2016 common emergencies were trauma and lacerations to lower extremities and low back injuries. Serious cases were treated and transferred to hospitals by Estate Ambulances. A fleet of nine ambulances made 5186 trips to hospitals transporting patients.

First Aiders on all locations benefited from first-aid refresher courses conducted by Medexes. First Aid supplies were adequate except for a brief shortage of Oral Rehydration Salts, which is used for cramps and diarrhoea.

## COMMUNICATIONS

With the appointment of the Senior Communications Officer, a new Corporate Communications Strategy was created, and approved by the Board of Directors.

The approaches included in the strategy were Communications, Social Mobilization and Advocacy, while the techniques used were Corporate and Strategic Communications, Social Mobilization, knowledge management, change management, partnership building and team building.

The aim was to provide support for the execution of the wider corporate strategic initiative. Its overall goal was to:

- Develop relevant communiques for a variety of purposes
- Disseminate information to internal and external audiences as appropriate
- Support the execution of the corporate strategy through various modes of communications, such as media relations, crisis communications, reputation management, investors relations; and promote corporate responsibility
- Support behavioural change and build strategic partnerships

The following modes of communications were used to disseminate information to the relevant stakeholders:

#### *Press Releases*

Approximately sixty (60) Press Releases and Letters to the Editor were disseminated to various media agencies, both print and broadcast. These included Stabroek News, Kaieteur News, Guyana Chronicle, Guyana Times; Capital News, Demerara Waves, News Room, Nightly News, Six O'clock News, News Update, inter alia.

#### *GuySuCo Round Up*

The format for the television programme, GuySuCo Round Up, was changed to reflect the range of the Corporation's operations, history, personalities, human interest and contributions to community and national development. The weekly production is aired on Sundays at 18:30 hrs and rebroadcast on Wednesdays at 08:00 hrs on NCN 11.

#### *Estates' Newsletters*

Most Estates have resumed production of newsletters. The Communications Department provided support in developing a common template for all estates, in addition to editing on a monthly basis. While all estates have not yet developed the rhythm of a monthly production, some have been performing exceptionally in ensuring that their production is regular.

The Communications Department produced 11 Newsletters and a total of 12 were produced by estates.

#### *News Bulletin - Insight*

The Insight - news bulletin, produced by the Communications Unit, is a product primarily for internal audience. However, it is also distributed externally since it contains relevant information

which would be of interest to the media and other stakeholders. Currently, it is produced bi-monthly but ideally; the aim is to circulate it on a weekly basis.

### *Campaigns*

Three campaigns were launched in June 2016:

- In June, the New GuySuCo concept was launched. This attempted to capture the essence of the direction of a Diversification Division that would focus on a variety of projects, including aquaculture, fruit crops, dairy farming, livestock farming and rice cultivation.
- The One GuySuCo concept was also launched in June, as a part of the social mobilization programme. It is an aspiration and promotes greater internal collaboration, synergies, partnerships and team building and will be used to bring on board employees at all locations and divisions, and to promote shared values within the Corporation.
- At the same time the Putting GuySuCo First internal campaign was launched. This was a mechanism initiated to achieve the One GuySuCo and realize the goals and objectives of the New GuySuCo.

### *New Website*

A new website was constructed to replace the old one. The reconstruction addressed three key areas; these are technology, layout and content.

### *Communications and Team Building Training*

The Senior Communications Officer facilitated two (2) training sessions on Team Building and Communication.

These were held under the theme “Using Communications to Improve Results”. The Communications Training was done with both Senior and Junior Managers.

The aim of this training was to equip participants with the skills to communicate effectively to both internal and external target groups.

Over 200 participants were trained in Team Building.

## INDUSTRIAL RELATIONS

### *Integration of Enmore & LBI Estates*

The Corporation and the Unions (GAWU and NAACIE) met during the period April to June 2016 on the integration of the LBI and Enmore Estates into East Demerara Estate. The matter was discussed and agreed of a total of 822 employees, 780 were absorbed into jobs within East

Demerara Estate and Head Office, resulting in 24 Junior Staff and 18 Mill Dock employees being made redundant. They were paid severance benefits at a value of G\$36.9M in August.

#### *GuySuCo/GAWU/ NAACIE Wages and Salaries Negotiations*

The GAWU and NAACIE submitted their respective Memorandum of Claims on May 18, 2016, for an 8%, and on March 21, 2016, for 10% increase in wages and salaries, along with fringe benefits for 2016.

Inaugural meetings were held with the GAWU and NAACIE on September 19 and 29, 2016 respectively. The Corporation presented and discussed its 2016 financial, production and marketing projections with the Unions.

Subsequent meetings were held with GAWU on October 13 and 19, 2016 and with the NAACIE on October 17 and November 7, 2016.

Bilateral discussions with GAWU on October 19 and with NAACIE on November 7 respectively were deadlocked, after the Corporation informed both Unions that due to its dire financial situation it could not afford to offer any increases in 2016.

#### *Conciliations*

In keeping with the extant recognition agreements between the parties, both Unions applied to the Chief Labour Officer for conciliation. However, NAACIE's application was made outside the stipulated timeline stated in their Recognition Agreement. Consequently, the matter was not discussed at conciliation.

Further, GuySuCo and GAWU met on three (3) occasions at conciliation, under the auspices of the Department of Labour, to discuss the Union's claims. After presentations from both parties, with no inclination to change positions, the Labour Officer declared the matter deadlocked.

#### *GuySuCo/GAWU Annual Production Incentives Negotiations 2016*

The GAWU submitted its proposal for Annual Production Incentive (API) on November 8, 2016, proposing a payment of one day's pay (API) for every 32,500 tonnes of sugar produced.

The parties met on November 24, 2016, when the Corporation informed the Union of its inability to award any API for 2016. The parties agreed that they had reached an impasse and the Union applied for conciliation.

The parties met at conciliation under the auspices of the Department of Labour on December 22, 2016 and after presentations from both parties, who remained steadfast in their respective positions as stated at the bilateral, the conciliator informed the parties that they had reached an impasse and the matter was declared deadlocked.

#### *Minimum Rate*

As a result of Order 15 of 2016 made under Section 8 of the Labour Act Cap: 90:01 the minimum rate per hour was increased from \$202 to \$255, resulting in the Corporation's minimum for both the Guyana Agricultural and General Workers' Union (GAWU) and Guyana Labour Union (GLU) categories being increased to \$255 per hour effective January 1, 2017.

#### *Demerara Sugar Terminal (DST)*

Discussions began with DST employees and GLU to have a partial review of some of the jobs values. Terms of Reference were agreed, and two meetings were held but ever since the Union's team has not attended further meetings.

In the meantime, the representational status of the GLU was challenged via a Poll conducted under the purview of the Trades Union Recognition Board. Preliminary results indicated that GLU lost at the polls.

#### *Work Stoppages*

The Corporation recorded a total of 148 strikes resulting in 44,472 mandays lost in 2016, compared to 193 strikes resulting in 70,129 mandays lost in 2015. This is the lowest in five (5) years.

There were two one-day strikes across the industry in October for wages, salaries and fringe benefits increases which contributed significantly to the increase in mandays lost for the year with 5,845 and 4,105 mandays respectively.

The intensity of these strikes has been significantly reduced in 2016 when compared to 2015, when 19,799 and 24,802 mandays were lost to general strikes across the industry for Wages and API.

**TABLE 8: Strikes by Estates - 2016.**

<b>Location</b>	<b>1<sup>st</sup> Crop</b>		<b>2<sup>nd</sup> Crop</b>	
	<b>Strikes</b>	<b>Mandays Lost</b>	<b>Strikes</b>	<b>Mandays Lost</b>
Skeldon	13	3,783	7	2,896
Albion	13	2,855	11	3,380
Rose Hall	13	3,557	15	6,580
Blairmont	9	2,533	13	4,716
East Demerara	21	2,709	13	2,623
Wales	9	5,053	2	846
Uitvlugt	5	1,877	4	1,064
<b>Total</b>	<b>83</b>	<b>22,367</b>	<b>65</b>	<b>22,105</b>

Cane Harvesters accounted for a total of 92 strikes in 2016 with 29,261 mandays lost (62.2 % and 65.8% respectively), as they continued to demand exorbitant prices for obstacles, non-acceptance of work, and to cut and stack, etc.



**TABLE 9: Comparative Analysis of Strikes from 2011 – 2016**

<b>Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Work Stoppages	221	203	233	194	193	148
Mandays Lost	37,639	50,230	38,121	32,064	70,129	44,472
Wages Lost (\$M)	73.5	117.5	104.5	96.3	181.5	116.2

#### *Production Incentives*

A total of 21 tax free days' pay was awarded to qualified employees as Weekly Production Incentive (WPI) across the industry, comprising 7 and 14 days for the 1st and 2nd crop respectively in 2016.

In 2015, employees benefited from 94.4 days as WPI, with 25.50 days in the 1st crop and 68.91 days in the 2nd crop. The data is indicative of the estates' failure to work towards achieving their respective weekly **production** targets in 2016. The circular that awarded prorated Weekly Production Incentives on 90 to 99% achievement of the targets was repealed prior to the commencement of 1st Crop, 2016.

#### *Disciplinary Matters*

There was a total of 234 incidents in which employees had to be disciplined. Corrective measures were instituted in respect of 164 cases, of which 70 resulted in punitive actions being taken – 57 suspended and 13 dismissed.

#### *GuySuCo's Disciplinary Procedure and Code Guide*

A review exercise was initiated for the update of GuySuCo's Disciplinary Procedure and Code Guide. The revised document would be completed in 2017.

#### *Transition – From Wales Estate*

In January 2016, Stakeholders were informed that Wales Estate would be going out of sugar production at the end of 2016 and would move into diversified projects. The employees from the various categories who would not be utilized in these diversified products would be offered redeployment to Uitvlugt or be deemed redundant, where applicable.

#### *Union Interventions – re Diversification*

In May the GAWU & NAACIE filed an injunction preventing the payment of severance to employees who were affected by the Wales diversification out of sugar. Further, on August 2, the GAWU held a candle light vigil at the Factory and on August 9, 2016 a picketing exercise at the President's Office, pertaining to the closure of Wales Estate.

#### *Severance*

The first phase of separation saw 94 Crop Husbandry employees made redundant. Those employees received their redundancy payment at a total cost of G\$81M in October 2016. Further, other employees that accepted redeployment were transferred.

The second phase of transition to determine the placement and reaction of the remaining employees from within the Field, Factory and Administration is on-going, with the engagement of the Unions going into 2017. The Corporation and the Unions met on December 14, 2016 to formalise the process and document the format to guide and facilitate future discussions.

## MARKETING

### EUROPEAN UNION MARKET

#### *Bulk Raws*

The Guyana Sugar Corporation Inc.'s sugar exports to the European Union (E.U) benefits from duty free access. Bulk sugars to the E.U have been exported to Tate and Lyle Sugars with the Corporation had signed a long term commercial contract. During 2016 a total of 99,094 tonnes of bulk sugar was exported of which 18,558 tonnes went to Portugal and 80,536 went to the United Kingdom.

With a smaller than anticipated 2016 crop production the Corporation was unable to take advantage of the higher spot price that was available to Europe in August 2016.

#### *Special Sugars*

The export in special sugars to Europe was only 480 tonnes compared to 638 tonnes in 2015. The decline in export to special sugar can be attributed to the breakages of Turbo Alternator sets at Enmore Estate which resulted in our inability to produce the specified sugar that was requested by our customer in Italy. These further hindered our Marketing Brokers effort to further penetrate this segment of the market.

### USA

Pursuant to its obligations under the World Trade Organization the United States of America (USA) granted to Guyana a duty free tariff rate quota of 12,636 metric tonne of raw value sugar for Financial Year 2017 (1 October 2016 – 30 September 2017). The Industry also benefitted from a waiver by the United States Department of Agriculture to deliver additional increases of sugar from Fiscal Year 2016 in Fiscal Year 2017. This amounted to 2,803 MTRV.

As such, in year 2016 the Corporation was able to export to the USA 15,439 metric tonnes raw value of sugar or 14,728 metric tonnes of sugar. All sugars exported to the USA in 2016 were in raw bulk form.

## CARICOM AND REGIONAL TRADE

The inevitable erosion of the traditional trade preference in Europe the Corporation has heightened its effort to focus on meeting the needs of the markets within the Caribbean. Being a part of the regional trade block Caribbean Community (CARICOM) the Corporation is able to trade its sugars without restrictions inside the block. In 2016 the Corporation supplied 23,973 tonnes of bagged sugars to member states an increase of 23.69% over 2015. The countries supplied were namely: Trinidad, Suriname, St Lucia, Jamaica, Dominica, Grenada, Antigua, Nevis and St Vincent. The tonnage of bagged sugars supplied in 2015 to CARICOM amounted to 19,863 tonnes.

There however, was a marked decline in supply of packaged sugar to the CARICOM market. The packaged sugar supplied to CARICOM in 2016 amounted to 2,449 tonnes as opposed to 4,106 tonnes in 2015 representing a decline in sales of 40.35%. This decline is attributed to several factors. Most notably being the breakage of our Turbo Alternator sets at Enmore which impacted negatively on the production and delivery of packaged sugars to customers. Additionally sales to our Barbadian customers were curtailed due to a levy being charged on the importation of packaged sugars from Guyana.

The sachet market has become competitive regionally and in 2016 the Corporation sold 365,000 sachets

## LOCAL MARKET

The sales performance of sugar on the local market continues to be dominated by the sale of bagged sugars. In 2016 the Corporation sold 17,282 tonnes of bagged sugars as opposed to 18,137 tonnes in 2015. The sale of packaged sugar in 2016 was 4,101 tonnes compared to 2,974 tonnes in 2015. Totals sales to the local market amounted to 21,383 tonnes. All sugars disposed on the local market were sold to wholesalers, bakeries, food processors, supermarkets and our distributors.

One new product, Blairmont Crystal was launched in 2016 on the local market for the Guyana's 50<sup>th</sup> Independence with good response from the consumers.

## CUSTOMER SERVICE

The Marketing Department has continued to function in line with the Quality Management System of ISO 9001 with great emphasis on customer satisfaction. Research activities continue

to assist the Corporation improving on its products and services which are an integral element of the department's work.

## DIVERSIFICATION

In May 2016 the Diversified Products Division was established in the Corporation.

A Diversification Sub-Committee of the Board was also established to oversee the Diversification Project Products Division. The members of the Sub-Committee include two Board Members and the Chief Executive Officer.

## AQUACULTURE

With the plans for sugar operations to conclude as of December 31, 2016 and the estate to transition into diversification, the Corporation contracted the US based company, Aquasol, Inc., fish farming consultants, to execute a site analysis at Wales Estate and prepare a detailed feasibility study on the potential of aquaculture farming, utilising 300 ha of land.

Aquasol, Inc. successfully completed the site analysis and with promising results commenced work on the full feasibility study which is expected to be completed in the 1<sup>st</sup> half of 2017.

## SEED PADDY PILOT PROJECT

GUYSUCO has undertaken to do a pilot project on the cultivation of premium priced seed paddy on approximately 350 – 400 acres of land at Wales Estate, based on the suitability of the soils (virgin soils to rice cultivation), the short maturity time of rice compared to other crops, yielding revenues within 1 year, and the eventual requirements of its by-products such as the rice bran for aquaculture feed which will assist in reducing aquaculture's cost of production.

This pilot project will be supervised and funded by the Guyana Rice Development Board.

Land clearing activities began in 2016 with planting of the 1<sup>st</sup> crop of seed paddy anticipated by the first half 2017.

## OTHER PROPOSED ACTIVITIES

The Ministry of Agriculture commissioned a Task Force to conduct a detailed evaluation of the diversification options for Guysuco. The Task Force submitted its report in October 2016. In addition to aquaculture and seed paddy, the report recommended the following feasible diversification options:

- i. Livestock inclusive of beef and dairy cattle, pigs, small ruminants
- ii. Value added processing – juice and milk plants
- iii. Ducks
- iv. Apiculture
- v. Fruit crops
- vi. Other high value crops such as rambutan, acai berry
- vii. Grains and legumes
- viii. Aromatic rice

Implementation of these activities will commence in 2017 pending financing.

# DRAFT UN-AUDITED FINANCIAL STATEMENTS

The audit of the following financial statements has not yet been completed and as such, the figures stated are subject to change.

**GUYANA SUGAR CORPORATION INC.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016**

	<b>COMPANY</b>	
	<b>2016</b> <b>\$M</b>	<b>2015</b> <b>\$M</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	89,049	94,602
Deferred tax asset	28,367	26,981
Investments	272	335
Investment in subsidiary	22	22
<b>Total non current assets</b>	<b>117,710</b>	<b>121,940</b>
<b>Current assets</b>		
Inventories	3,414	3,481
Standing cane	6,961	4,132
Product stock	1,643	1,279
Trade receivables	2,957	3,714
Other receivables	3,117	2,864
Prepayments	150	514
Related parties	336	298
Taxes recoverable	-	-
Cash on hand and at bank	776	1,942
<b>Total current assets</b>	<b>19,354</b>	<b>18,224</b>
<b>TOTAL ASSETS</b>	<b>137,064</b>	<b>140,164</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's equity</b>		
Stated capital	10,800	10,800
Revaluation reserve	50,849	50,849
Other reserves	293	357
Accumulated deficit	(40,794)	(41,476)
	21,147	20,530
Non controlling interest	-	-
<b>Total equity</b>	<b>21,147</b>	<b>20,530</b>
<b>Non current liabilities</b>		
Deferred tax liability	16,203	16,693
Deferred income	2,357	2,417
Borrowings	29,985	29,985
Employees retirement benefits	32,852	32,826
<b>Total non-current liabilities</b>	<b>81,397</b>	<b>81,921</b>
<b>Current liabilities</b>		
Trade payables	9,613	9,584
Other payables and accruals	17,117	17,252
Related parties	1,960	1,794
Taxation	2,701	2,623
Borrowings	2,742	5,048
Bank overdraft(secured)	385	1,412
<b>Total current liabilities</b>	<b>34,520</b>	<b>37,713</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>137,064</b>	<b>140,164</b>

**GUYANA SUGAR CORPORATION INC.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>COMPANY</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$M</b>	<b>\$M</b>
Revenue	20,183	21,451
Cost of sales	27,449	35,041
<b>Gross profit/(loss)</b>	<b>(7,266)</b>	<b>(13,590)</b>
Other income	11,720	16,909
Administrative expenses	(3,458)	(2,479)
Marketing and distribution expenses	(1,652)	(1,712)
<b>Operating profit/(loss)</b>	<b>(656)</b>	<b>(872)</b>
Finance cost	(531)	(689)
Employees retirement benefits	(27)	(1,105)
Income from subsidiary and others	21	3
<b>Loss before tax</b>	<b>(1,193)</b>	<b>(2,662)</b>
Taxation	1,875	794
<b>Profit/Loss for the year</b>	<b>682</b>	<b>(1,868)</b>
<b>Other Comprehensive income:</b>		
Net (loss)/gain on revaluation of investments	(63)	(36)
Net loss on revaluation of non-current asset	-	-
Other comprehensive income net of tax	<b>(63)</b>	<b>(36)</b>
<b>Total comprehensive Profit for the year</b>	<b>619</b>	<b>(1,904)</b>
<b>Profit for the year</b>		
<b>Attributable to:-</b>		
Equity holders of the parent	682	(1,868)
Non controlling interest	-	-
	<b>682</b>	<b>(1,868)</b>
<b>Total comprehensive Profit for the year</b>		
<b>Attributable to:</b>		
Equity holders of the parent	619	(1,904)
Non controlling interest	-	-
<b>Profit for the year</b>	<b>619</b>	<b>(1,904)</b>
Basic loss per share in dollars	<b>0.06</b>	<b>(0.18)</b>

GUYANA SUGAR CORPORATION INC.  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2016

Company

	Stated Capital	Revaluation Reserve	Other Reserves	Retained Earnings	Total Equity
	\$M	\$M	\$M	\$M	\$M
<b>Balance at January 1, 2015</b>	10,800	50,849	393	(39,608)	22,434
Other comprehensive income	-	-	(36)	-	(36)
<b>Loss for the year</b>	-	-	-	(1,868)	(1,868)
<b>Total comprehensive income for the year</b>	-	-	(36)	(1,868)	(1,904)
<b>Balance as at December 31, 2015</b>	10,800	50,849	357	(41,476)	20,530
Other comprehensive income	-	-	(63)	-	(63)
<b>Loss/Profit for the year</b>	-	-	-	682	682
<b>Total comprehensive income for the year</b>	-	-	(63)	682	619
<b>Balance at December 2016</b>	10,800	50,849	294	(40,794)	21,149



**GUYANA SUGAR CORPORATION INC.**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>COMPANY</u>	
	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>	<b>\$M</b>	<b>\$M</b>
	(1,193)	(2,662)
Adjustments for:		
Depreciation and write down of assets	4,757	4,571
Gain on disposal of property, plant and equipment	(14)	(7)
Net interest	531	689
Income from subsidiary and others	(21)	(3)
<b>Operating profit/(loss) before working capital changes</b>	<b>4,061</b>	<b>2,587</b>
Decrease/(increase) in inventories	68	(86)
(Increase) in standing cane	(2,829)	1,155
(Increase) in product stocks	(364)	26
Increase/(decrease) in accounts receivable, prepayments	868	(1,566)
Increase/(decrease) in amounts due from related parties	(37)	(41)
Increase in accounts payable and accruals	(105)	4,945
Increase/(decrease) in amounts due to related parties	166	199
Increase in defined benefit pension liability	27	1,105
<b>Cash generated from operations</b>	<b>1,853</b>	<b>8,324</b>
Interest paid	(531)	(689)
Taxes paid/adjusted	78	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,400</b>	<b>7,635</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	-	-
Purchase of property, plant and equipment	(759)	(1,767)
Proceeds from sale of property, plant and equipment	1,569	12
Dividends received from investments	21	3
Dividends paid to minority interest	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>831</b>	<b>(1,751)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowing	(2,309)	224
Proceeds from Government Grant	(60)	(4,304)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>(2,369)</b>	<b>(4,080)</b>
Increase/(decrease) in cash and cash equivalents	(139)	1,804
Cash and cash equivalents at beginning of the period	530	(1,274)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>391</b>	<b>530</b>
<b>CASH AND CASH EQUIVALENT COMPRISED OF:-</b>		
<b>Cash on hand and at bank</b>	<b>776</b>	<b>1,942</b>
<b>Bank overdraft(secured)</b>	<b>(385)</b>	<b>(1,412)</b>
	<b>391</b>	<b>530</b>