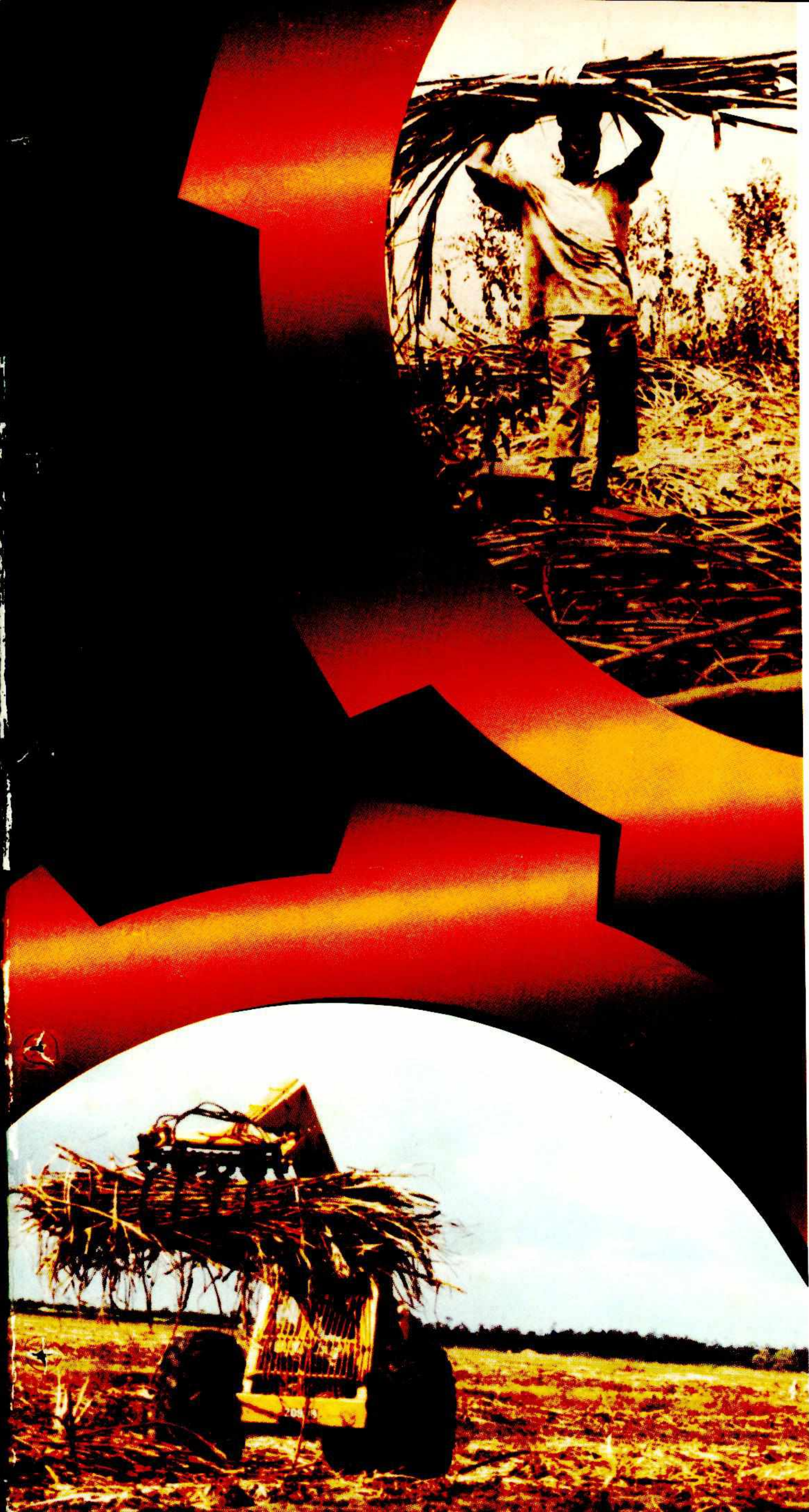


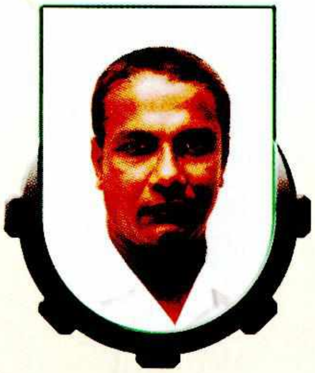
GUYANA SUGAR CORPORATION INC.

ANNUAL REPORT 2001

Contents

Mission Statement

to be a world class sugar industry producing high quality sugar and added-value by-products, while ensuring customer satisfaction, employee development, environmental protection, and safe working practices. In so doing we will achieve growth and sustained profitability in any forseeable marketing situation in order to contribute to the economic and social development of Guyana.



Clockwise:

Vickram Oditt, A.A. *Chairman*

Brian Webb *Chief Executive*

Dindyal Permaul *Member*

Barry Newton *Member*

Ronald Alli *Member*

Rajendra Singh *Member*

Donald Ramotar *Member*

Hubert Rodney *Member*

David Carter *Member*

AUDITORS:

The 2001 Accounts were audited by the Auditor General in accordance with the provisions of the Financial Administration and Audit (Amendment) Act, 1993.

A. De Souza
Company Secretary

GUYANA SUGAR CORPORATION INC.
Ogle Estate,
East Coast Demerara, Guyana.
Telephone: (592) 222-6030
Facsimile: (592) 222-6048
E-mail: michaelk@guysuco.com

This report can also be viewed on the Corporations' website www.guysuco.com

Main Features

Pre-tax loss of $1.2bn (first loss since 1990)

Cash flow for year positive in spite of the loss

Agriculture Improvement Programme launched

Record land preparation and planting achieved

Sales into Europe 15,000 tonnes above budget

Direct sales of molasses improves returns

SPS quota reduced by 15% - may be reduced further

Second crop highest since 1992

GuySuCo ranked 3rd in quality terms by our largest customer

Go-ahead for new Skeldon factory received

High turnover of key middle managers continues

Costs increase due to increased agricultural activity

Chairman's Statement

INTRODUCTION

In each year of the past decade, 1991-– 2000, GuySuCo recorded pre-tax profits. In 2001, however, the Corporation recorded a pre-tax loss of $1.2 billion (US$6 million).

The major factor contributing to the loss was the continuing low value of the Euro, the currency in which 80% of export sales are denominated. The attached graph charts the movement of the Euro against the US$ since its launch in January 1999. It should be noted that far from recovery against the US$ as most commentators expected, it stayed within a band of USc85 – USc92 for most of the year. Even after the horrific events of September 11th in North America, the Euro failed to make ground. This was mainly attributed to the dissatisfaction of international treasurers and economists with the failure of the Eurozone countries to accelerate structural reform in the areas of employment legislation and tax incentives, the measures needed to create a truly harmonized market and to enable the European market to be as flexible and as mature as the US market.

Euro Exchange Rates 1999 - 2001

When the Euro showed no signs of improving, a decision was taken to defer capital expenditure in the latter half of the year. As a result, cash flow improved in 2001. Cash flow was in fact positive in spite of the loss incurred.

AGRICULTURAL IMPROVEMENT PROGRAMME

GuySuCo launched its Agriculture Improvement Programme (AIP) in 2001, which aims at restoring cane yields in Berbice and Demerara to levels previously recorded in the 1950s and 1960s.

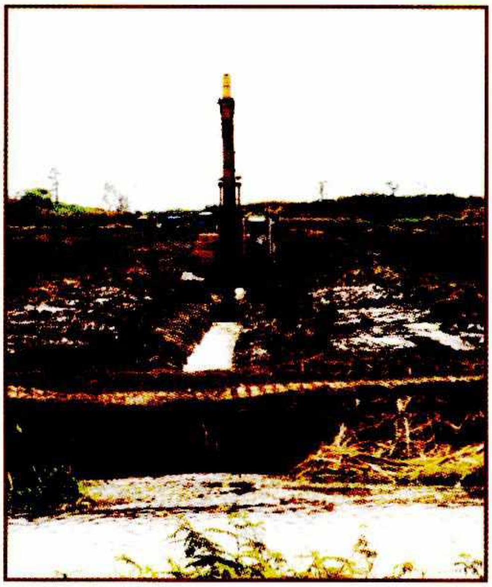
The AIP places increased emphasis on improvements in drainage conditions and cycle age.

The initial approach to implementing the AIP has focused on improving agriculture machinery utilization and availability, coupled with increasing the fleet size so as to enable the return to the desired cane cycle of plant plus four ratoons over the next three to four years.

The achievement of 25% land preparation and 21% replant was a record since the Corporation was incorporated in 1976.

SALES AND MARKETING

Sales to Europe were 15,000 tonnes above budget. Additionally, the price received in the Special Preferential Sugar (SPS) market, of approximately 17,000 tonnes quota, was increased by 15% in July 2001.



Focus on drainage; in keeping with the Agriculture Improvement Programme (AIP)

The direct sale of molasses to several Caribbean countries to replace the previous distribution arrangements has been successful and financially beneficial. The upward movement of the New Orleans price has also benefited the returns from molasses.

We had hoped to launch packaged sugar sales in a big way this year. However, the late installation of the sugar drying equipment meant the production of package and sachet sugar was relatively low. We intend to place much more emphasis on developing a branded packaged sugar in 2002 for the retail market.

The process of fundamental change to our preferential markets began in 2001 with the introduction of the "Everything But Arms" initiative for Least Developed Countries (LDCs) to the EU. This EU overture to the LDCs essentially allows for duty free access into the EU of all goods, except arms. It was effected without any concession or sacrifice by Europe as far as sugar is concerned. Indeed, after much debate with the ACP, the EU agreed to a phased increased allocation of LDC sugar rather than immediate full access. The quota granted, however, is at the expense of the SPS quota of the ACP countries, including Guyana. Guyana's SPS quota will reduce by 15% per year and may diminish altogether in 2006. The Government of Guyana and GuySuCo have strengthened representation in Brussels and London in an attempt to influence policy within the EU.

PRODUCTION

Production at 284,474 tonnes, a 4% improvement over 2000, was satisfactory. The second crop production was the highest since 1978, except for 1992. The year under review was an extremely dry year receiving only 69% of the long-term mean rainfall. During the year progress was made in optimizing flood fallow regimes. Factory performance was satisfactory given the restriction on capital expenditure and the age of the plant. Time efficiency improved in 2001. Increases in product quality were achieved to the point where our main refiner ranks Guyana as one of its top three producers in ACP countries from the point of view of quality.

SKELDON SUGAR MODERNIZATION PROJECT

During 2001, GuySuCo received the go ahead for the construction of the new factory at Skeldon, which is the corner piece of the Strategic Plan and which the Directors believe is essential for the industry to become more competitive. The factory and the associated agricultural works are expected to cost approximately US$110M with 50% of this amount being made available by multilateral financing institutions. The balance must be made up by sales of land surplus to GuySuCo's requirement and self generated funds.

An agreement was reached with the Privatization Unit to manage the sales of land on the Corporation's behalf. GuySuCo has very valuable and strategically sited commercial and residential property and it is to be hoped that sales prices and land values will pick up as the economy gradually improves. The outlook, however, for cash being generated from operations to fund the factory is problematical unless the Euro increases in value even further than it has done in 2002. As I write most commentators are expecting an increase in value in 2003 and we hope they are correct.

STAFFING

The Corporation continues to suffer from an ncomfortably high rate of turnover of key middle managers. Twenty seven (27) managers left in 2001, mainly due to migration. This is a major threat to the achievement of the Corporation's strategic objectives.

Chairman's Statement *(cont'd)*

We are responding by placing increased emphasis on training, particularly at the non-qualified junior management level and by increasing our management trainee schemes.

Training session at the L.B.I. Estate.

Costs went in the wrong direction in 2001, with the cost in terms of US¢ per lb increasing to 19.8 from 17.2 in the previous year. This was primarily due to the increased level of agricultural activity called for under the AIP, and by the costs of renting the additional equipment required. A pay increase of 8.5%, well above the rate of inflation, plus the 1% merit awarded in 2001, also contributed to the increased cost of production. In the interest of employees as well as of the Corporation, it is essential that any increases above the rate of inflation should only be achieved through increases in productivity. In spite of the pay increase, the Demerara Region suffered labour shortages, particularly in key agriculture activities. The Corporation will move to increase reliance on mechanized husbandry and a land conversion team is being established to accelerate this process.

CONCLUSION

The industry is facing a number of challenges. We must continue to achieve improvements in agricultural output by improving machinery utilization and selectively introducing mechanization. We must achieve moderation in the wage negotiations; we must improve training in order to counter the threat of migration and most importantly we must commence production at the new Skeldon factory by 2005/6 to enable our low cost objectives to be met.

The Board was strengthened during the year by the addition of Dr. Dindyal Permaul, Mr. Raj Singh and Mr. Hubert Rodney. I welcome these gentlemen to our Board and wish to thank my fellow directors, management and the staff of the Corporation for their hard work in 2001. Unfortunately Mr. Edgar Heyligar had to resign owing to his other commitments. Mr. Heyligar's contributions over the years have been very significant and we will sorely miss his wise and pragmatic counsel.

We have laid the foundations for the improvements in the industry and we anticipate that 2002 will represent a considerable improvement over 2001 in both financial and production terms.

One of the fields of organic sugar cane.

Guysuco & the Environment

The Guyana sugar industry was established in the eighteenth century. It has undoubtedly made an impact on the environment within the so-called "sugar-belt". Fortunately, however, none of the sugar industry's by-products or operational procedures present a serious threat to the local environment.

The disposal of waste products

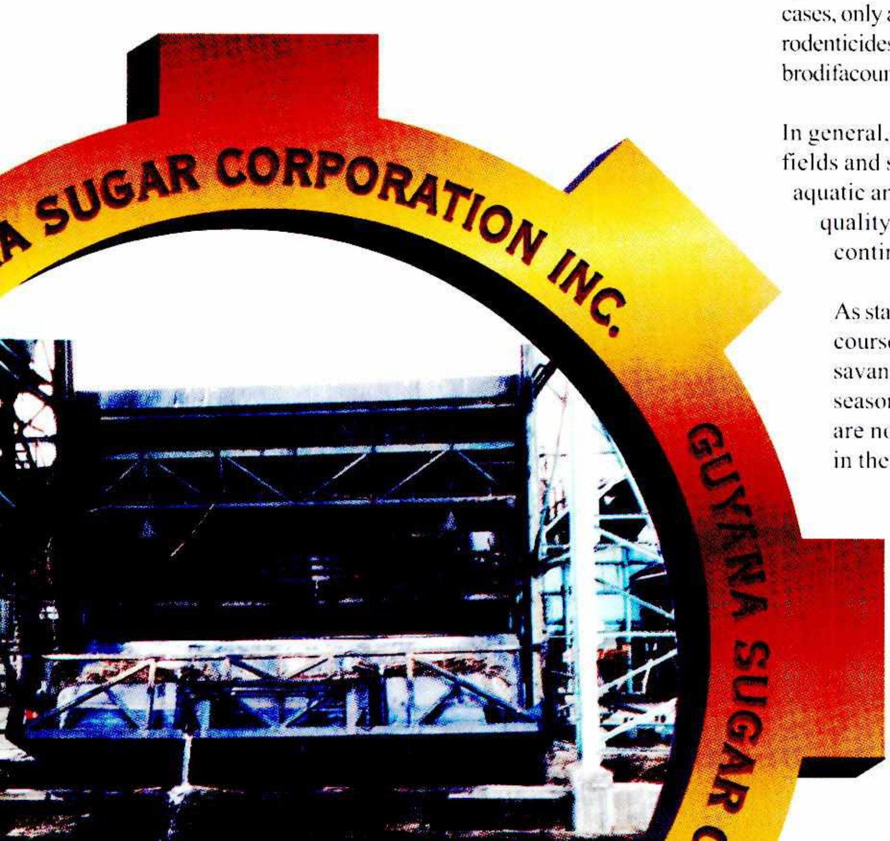
The main waste products emanating from a sugar development are bagasse, filter press mud, water as a factory effluent and smoke.

Bagasse is the fibre which remains after the juice has been extracted from the cane during processing. It consists mainly of cellulose and lignin and is used as a fuel in the factory boilers.

Filter press mud is the mud which settles out from the cane juice during clarification and which is filtered off. It is variable in composition and consists of sucrose, wax, fat, nitrogen, phosphate, potassium and some bagacillo (small particles of bagasse). It has value as a soil ameliorant and is used for this purpose, particularly on dam beds and during conversion of cambered beds to other field layouts when some exposure of the sub-soil occurs.

Water, in the form of effluent from the factory, contains many impurities, often varying quantities of sugar. It must be treated to minimal BOD (Biological Oxygen Demand) content prior to being discharged.

Smoke is another potential pollutant on a sugar development. It is produced by the factory boilers and from burning cane trash both before and after harvest. Prior to harvest cane fields are set on fire to remove the dead leaves and to minimise the non sugar-containing vegetative matter being taken to the factory. Fire is also found to displace snakes and some pests which are a hazard to cane cutters and agricultural workers. Guysuco is presently monitoring smoke discharge and its effect on areas around the estates. We are working with the Environmental Protection Agency towards defining a standard for smoke emission.



Effects on the indigenous life of the area

The industry's future plans relate, in the main, to the existing cane area. About 10 000 acres of new land are intended to be developed in Berbice while some existing cane lands in Demerara may be put to alternative use. There is therefore no anticipated negative environmental effects.

Present cane husbandry practices will essentially be maintained although there will be a tendency to increase the level of mechanisation of certain operations. Thus the present weed control measures will continue. It will be a mix of chemical, manual and mechanical methods of control. The herbicides in use are manufactured and/or formulated by major manufacturers within the United States and Europe and are approved for use by the appropriate United States and European authorities. Pest control will continue as at present with minimal use of insecticides for insect control and continuing efforts to establish means of biological control for the troublesome moth borers. Some insecticides may be used to control sporadic froghopper attacks and the periodic attacks by leaf - eating caterpillars and by termites. Again in such cases, only approved insecticides will be used. Rat baiting with rodenticides of low toxicity to other mammals, such as brodifacoum, will continue to be the main means of control.

In general, the navigation canals, together with flood fallow fields and sidelines, contain good stocks of fish and other aquatic animals and plants thus demonstrating the high water quality and freedom from pollutants. The situation will continue to be monitored.

As stated earlier, some 10 000 acres of new land will in due course be taken into cane. Currently, this area supports savannah type grassland for grazing cattle during the season, but is subject to flooding in rainy periods. There are no trees to be cleared and the proposals will result in the replacement of pasture by sugarcane.

The rehabilitation proposals for the agricultural sector of GUYSUCO are, therefore, not expected to increase dangers of environmental pollution over the levels which have existed during the past twenty or thirty years. On the contrary, every attempt will be made to reduce any threats which are posed to the environment.

Report of the Directors

The Directors submit their report for the year ended December 31,2001.

PRINCIPAL ACTIVITY

The principal activity of the Corporation is the growing of sugar cane and the manufacture and sale of sugar and its by-product molasses.

The Chairman's Statement describes the development and operation of the Corporation during the year, including the preferential markets situation, the position at the end of the year and the proposed future developments, specially the strategic plan for the expansion of the industry.

RESULTS AND DIVIDENDS

The financial results of the Corporation are set out on pages 14-30.

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

SUGAR PRODUCTION

	2000	**2001**
Total hectares harvested	44.259	**41.621**
Tonnes canes/hectare	62.2	**67.1**
Tones sugar /hectare	6.16	**6.83**
Tonnes sugar made	273.318	**284.441**

MOLASSES SALES

Molasses sales in 2001 amounted to $1.336M as against $668M in 2000.

FINANCIAL RESULTS

The turnover for the year before export sales levy was $22,950M compared with $23,085M in 2000.
The net loss before taxation was $1,235M compared with the net profit before taxation of $61M in 2000.

The charge for taxation was $366M compared with $542M in 2000.

The net loss after taxation was $869M compared with $481M in 2000.

The Export Sales levy was waived for 2001 as against $1,000M in 2000.

RETAINED PROFITS

The retained profit carried forward to 2002 was $3,799M.

CORPORATE GOVERNANCE

The Guyana Sugar Corporation recognizes the importance and is committed to high standards of corporate governance. The principles of good governance have been applied in the following ways: -

(a) The Board: The Board meets not less than ten times a year and has adopted a schedule of matters reserved for its decision .It is responsible for the strategic direction of the Corporation and all directors have full and timely access to information.

The Board has established four committees with defined terms of reference, namely the Audit Committee, the Central Tender Committee, the Remuneration Committee and the land Committee.

The Audit Committee, a formally constituted sub-committee of the Board, is composed of Non-executive Directors .The Audit Committee reviews and discusses, with the Internal Auditor and External Auditor, the group's internal accounting controls, internal audit function, choice of accounting policies, internal and external audit programmes, statutory auditors' report ,financial reporting and other related matters.

The Central Tender Committee evaluates all tenders for the supply of materials and services above predetermined levels. The Remuneration committee approves remuneration of senior staff and set the policies for remuneration of other staff. The Land Committee approves all land disposed and policy issues concerning land.

The Directors are responsible for the Corporation's system of internal financial control which is designing to provide reasonable (but not absolute) assurance regarding:

a) the safeguarding of assets against unauthorized use; and

b) the maintenance of proper accounting records and the reliability of financial information used within the Corporation.

Key procedures have been established which are designed to provide effective internal financial control.

The Directors are of the opinion, based on information and explanation given by management and the internal auditors, and on comment by the independent auditors on the results of their audit, that the Corporation 's internal accounting controls are adequate and that the financial records may reasonably be relied upon for preparing the Financial Statements and for maintaining accountability for assets and liabilities

(b) Control Environment: The Directors have put in place an organizational structure with clearly defined lines of responsibility and delegation of authority.

(c) Information Systems: The Corporation has a comprehensive system of financial reporting .The annual budget is approved by the Board and actual results are reported against budget each month .Any significant adverse variance is examined and remedial action taken. Revised profit forecasts for the year are compared on a quarterly basis.

(d) Control procedures: There are clearly defined policies for capital expenditure including appropriate authorization levels.

EMPLOYEES

Performance appraisals, staff development and training are provided at all levels and emphasis is placed on both technical and personal development.

Guysuco is committed to equality of opportunity amongst its employees. Recruitment, terms of service and career development are based solely on ability and performance.

PENSIONS

The pension scheme of the Corporation is established under an irrevocable trust. The Pension Scheme Management Committee includes employee representatives. Professionals manage the scheme. Both the Committee and the Managers are required to act at all times in accordance with the rules of the scheme and to have regard to the best interest of the members of the scheme.

The Management Committee controls the investment funds, which are managed by external fund managers. Guysuco is committed to ensuring that the scheme is administered in accordance with the highest standards.

Report of the Directors *(cont'd)*

DIRECTORS

Cabinet approved the appointment of the following persons as members of the Board of Directors of Guyana Sugar Corporation Inc. as of 30TH October 2001.

Chairman - Vickram Oditt
Director - Ronald Alli
Director - David Carter
Director - Barry Newton
Director - Donald Ramotar
Director - Hubert Rodney
Director - Rajendra Singh
Director - Joseph Vieira
Director - Brian Webb
Representative-Ministry of Agriculture

The Honourable Minister of Agriculture, Mr Chandarpal nominated Dr Dindyal Permaul, Permanent Secretary Ministry of Agriculture as their representative.

Mr. Joseph Vieira and Mr. David Carter resigned from the Board in February 2002 and May 2002 respectively.

All of the Directors are Non-executive, except for Mr. B.Webb.

Mr B.Newton and Mr. Carter are respectively Managing Director and Regional Director (Caribbean) of Booker Tate Limited, which manages the Corporation under rolling annual Corporate Management Agreement. Fixed and results-related fees are payable under the Agreement, Mr B.Webb is an executive of Booker Tate seconded to the Corporation. Apart from this, none of the Directors during the year had any material interest in any contract which of significance in relation to the business of the Corporation.

Directors' remuneration is set out in note 11(c) to the Financial Statements.

DONATIONS

The aggregate amount of money given by Corporation to charitable or public causes was G$2.975,145.

AUDITORS

The Auditors General has contracted the accounting firm of Ram and McRae to audit the Financial Statements of the Corporation, they have indicated their willingness to continue in office and have offered themselves for reappointment.

By Order of Board

A. De Souza
Company Secretary

Registered Office
Ogle Estate,
East Coast Demerara.

Report of the Auditors

Report of the Chartered Accountants Ram & McRae

To the Auditor General
On the Finanacial Statements of the
GUYANA SUGAR
CORPORATION INC.
For the year ended 31st December 2001

We have audited the consolidated balance sheet of Guyana Sugar Corporation Inc. as at December 31, 2001, the consolidated profit and loss account and the statements of changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Office of the Auditor General's auditing standards and other generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements on page 14 to 30 present fairly, in all material respects, the state of the Company's affairs at December 31, 2001 and its loss and cash flows for the year then ended in conformity with International Accounting Standards, and comply with the Companies Act 1991.

Without qualifying our opinion we draw attention to International Accounting Standard 17 - Leases which requires that leases be accounted for as finance or operating leases under defined circumstances. The Company in the preparation of these financial statements has accounted for all leases with the Government of Guyana as operating leases as stated in note 1 (d) to the financial statements. These leases represent a substantial portion of the operating assets of the Company.

Ram & McRae

....

RAM & McRAE
CHARTERED ACCOUNTANTS
PROFESSIONAL SERVICES FIRM
157 'C' Waterloo Street,
North Cummingsburg, Georgetown,
Guyana
February 11, 2003

Report of the Auditor General

OFFICE OF THE AUDITOR GENERAL OF GUYANA
63, HIGH STREET,
KINGSTON, GEORGETOWN,
GUYANA

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF GUYANA SUGAR CORPORATION INC. ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

Chartered Accountants, Ram & McRae, have audited on my behalf the financial statements of Guyana Sugar Corporation Inc. for the year ended 31 December 2001, as set out on pages 14 to 30. The audit was conducted in accordance with the Financial Administration and Audit (Amendment) Act 1993.

The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with the applicable laws, regulations and contractual obligations, is the responsibility of Management. My responsibility is to express an independent opinion on the statements based on these assertions and to report my opinion to you.

As required by the Financial Administration and Audit (Amendment) Act 1993, 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. I concur with the opinion, as set out on page 12, of Chartered Accountants, Ram & McRae.

B. BALRAM
Auditor General (Ag.)
11th February 2003

Consolidated Balance Sheet

AS AT 31ST DECEMBER 2001

	Notes	COMPANY 2001 $M	COMPANY Restated 2000 $M	GROUP 2001 $M	GROUP Restated 2000 $M
Stated Capital	3	**499**	499	**499**	499
Capital Reserves	4	**64,116**	64,529	**64,116**	64,529
Accumulated Earnings		**3,849**	4,084	**3,874**	4,120
Total Shareholders Equity		**68,464**	69,112	**68,489**	69,149
Deferred Tax	1(k), 5	**6,377**	7,020	**6,377**	7,020
Minority Interest				**68**	61
		74,841	**76,132**	**74,934**	**76,230**
Represented by:					
Fixed Assets	1(c), 1 (d), 7	**72,481**	72,980	**72,493**	72,991
Net Current Assets	8	**2,360**	3,152	**2,441**	3,239
Total Assets less Current Liabilities		**74,841**	**76,132**	**74,934**	**76,230**

On behalf of the Board

Director........Vickram Oditt........

Director........Brian Webb........

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	COMPANY 2001 $M	COMPANY 2000 $M	GROUP 2001 $M	GROUP 2000 $M
Sales	10	**22,950**	22,085	**22,950**	22,085
Net (loss)/profit before taxation	11	**(1,235)**	61	**(1,202)**	60
Taxation	12	**366**	(542)	**349**	(564)
Attributable to Minority Interest	13			**(28)**	11
Retained loss for the year		**(869)**	(481)	**(881)**	(493)

COMPANY
Statement of changes in equity for 2001

	Notes	Share Capital	Revaluation Reserve	Other Reserves	Accumulated Earnings	Total
Balances at 1st January, 2001		**499**	**54,234**	**10,296**	**4,084**	**69,113**
Release of Revaluation Reserve for disposal of revalued assets			(62)		62	
Release of Revaluation Reserve for excess depreciation of revalued assets			(573)		573	
Recognised in Equity	5		222			222
Retained loss for the year					(869)	(869)
Balances at 31st December, 2001		**499**	**53,821**	**10,296**	**3,849**	**68,464**

COMPANY
Statement of changes in equity for 2000

	Share Capital	Revaluation Reserve	Other Reserves	Accumulated Earnings	Total
Balances at 1st January, 2000	**499**	**54,577**	**10,296**	**3,851**	**69,223**
Release of Revaluation Reserve for disposal of revalued assets		(45)		45	
Release of Revaluation Reserve for excess depreciation of revalued assets		(669)		669	
Recognised in Equity		371			371
Retained loss for the year				(481)	(481)
Balances at 31st December, 2000	**499**	**54,234**	**10,296**	**4,084**	**69,113**

Consolidated Profit and Loss Account (cont'd)

FOR THE YEAR ENDED 31ST DECEMBER 2001

GROUP
Statement of changes in equity for 2001

	Note	Share Capital	Revaluation Reserve	Other Reserves	Accumulated Earnings	Total
Balances at 1st January, 2001		**499**	**54,234**	**10,296**	**4,120**	**69,149**
Release of Revaluation Reserves for disposal of revalued assets			(62)		62	
Release of Revaluation Reserves for excess depreciation of revalued assets			(573)		573	
Recognised in Equity	5		222			222
Retained loss for the year					(881)	(881)
Balances at 31st December 2001		**499**	**53,821**	**10,296**	**3,874**	**68,489**

GROUP
Statement of changes in equity for 2000

	Share Capital	Revaluation Reserve	Other Reserves	Accumulated Earnings	Total
Balances at 1st January, 2000	**499**	**54,577**	**10,296**	**3,899**	**69,271**
Release of Revaluation Reserves for disposal of revalued assets		(45)		45	
Release of Revaluation Reserves for excess depreciation of revalued assets		(669)		669	
Recognised in Equity		371			371
Retained loss for the year				(493)	(493)
Balances at 31st December 2000	**499**	**54,234**	**10,296**	**4,120**	**69,149**

Consolidated Cash Flow Statements

FOR THE YEAR ENDED 31ST DECEMBER 2001

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Cash generated from operations (Note a)	**2,876**	1,322	**2,978**	1,329
Interest paid	**(24)**	(3)	**(24)**	(3)
Net cash flow from operating activities	**2,852**	1,318	**2,954**	1,326
Taxation				
Taxation paid	**(35)**		**(80)**	
Tax refunds received			**12**	
Cash flow from investing activities				
Interest received	**70**	162	**70**	162
Purchase of fixed assets	**(1,824)**	(2,323)	**(1,826)**	(2,333)
Sale of fixed assets	**8**		**8**	13
Payments to minority interest			**(11)**	(11)
Net cash used in investing activities	**(1,746)**	**(2,161)**	**(1,759)**	**(2,169)**
Net Increase/(decrease) in cash	**1,071**	(843)	**1,127**	(843)
Cash and cash equivalents at beginning of period	**1,760**	2,603	**1,760**	2,603
Cash and cash equivalents at end of period (Note 9)	**2,831**	**1,760**	**2,887**	**1,760**

a. Reconciliation of net profit before taxation to net cash inflow from operations:

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Net loss before taxation	**(1,235)**	61	**(1,202)**	60
<u>Adjustments for:</u>				
Depreciation	**2,184**	1,277	**2,186**	1,278
Net adjustments for revision of asset values		371		371
Loss on disposal of fixed assets	**133**	44	**132**	34
Interest (net)	**(46)**	(159)	**(46)**	(159)
Operating profit before working capital changes	**1,036**	1,594	**1,070**	1,584
Decrease/(Increase) in inventories	**631**	(22)	**631**	(22)
(Increase)/Decrease in product stocks	**(640)**	1,571	**(641)**	1,556
Decrease/(Increase) in trade and other receivables	**174**	(1,874)	**181**	(1,868)
Increase/(Decrease) in trade and other payables	**1,511**	(919)	**1,517**	(909)
Increase in amounts owing to related parties	**123**	54	**180**	71
Decrease in amounts due from related parties	**40**	917	**40**	917
Cash generated from operations	**2,876**	**1,322**	**2,978**	**1,329**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets. They have been prepared in accordance with the Accounting Standards issued by the International Accounting Standards Committee ("IASC"), interpretations issued by the Standing Interpretations Committee of the IASC and the requirements of the laws of Guyana, except that as permitted by The Institute of Chartered Accountants of Guyana, IAS 19 (Employee Benefits) has not been adopted. IAS 19 will be adopted for the financial statements for the year ending 31st December 2002.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements made up to 31st December each year of the Corporation and Lochaber Limited, a company controlled by the Corporation (its subsidiary). Control is achieved by virtue of the Corporation having the power to govern the financial and operating policies of the subsidiary through the Board of Directors. Details of the subsidiary are given in note 13.

(c) Fixed assets and depreciation

Freehold Land and Buildings are stated at professional valuation as at 1/1/99. Factory Plant is stated at Directors' valuation as at 1/1/99. Other fixed assets and additions to freehold land, buildings and factory plant subsequent to 1/1/99 are stated at cost. All assets with the exception of freehold land and work-in-progress are depreciated on the straight line method calculated to write off each asset over its estimated useful life as follows:-

	Prior to 1/1/2000	**After 1/1/2000**
Freehold Buildings - Wooden	Over 20 years	Over 20 years
Freehold Buildings - Others	Over 33 years	Over 33 years
Land expansion costs	From 5 to 10 years	According to tenure
Plant, machinery and equipment	From 5 to 16 years	From 5 to 17 years
Motor Vehicles	Over 4 years	Over 4 years
Aircraft	Over 3 years	Over 5 and 10 years

Depreciation is provided from the date of acquisition and a full year's charge is taken in the year of disposal.

(d) Freehold and Leasehold Land

In addition to 53,289 acres of freehold land, the Group leases from the Government of Guyana 135,963 acres of land on which it grows cane and for ancillary purposes. These are subject to several types of lease agreements, the status of which is as follows:

	Acres
Unexpired leases	22,880
Expired leases	18,684
Expired permissions	2,333
During the President's Pleasure Licences	66,621
During the President's Pleasure Permissions	845
Unexpired provisional leases (Skeldon expansion)	24,600
	135,963

The Group has received written confirmation that the Government is committed to renewing all leases for lands beneficially occupied by GuySuCo. The tenure of the leases is likely to be fifty (50) years. Lease rentals will be reviewed from time to time by the Commissioner of Lands & Surveys and approved by the Government of Guyana. The Directors have decided to treat these leases as operating leases in the light of the uncertainties relating to future lease payments.

The Government of Guyana has approved 1039.1 acres of land owned by the Corporation for disposal. Lease payment per acre per annum has been as follows:

Prior to 1985	$4
1.1.85 to 31.5.98	$7.5
From 1.6.98	$1,000

A valuation prepared by professional valuers placed a value on these lands of $600,000 per acre at 1st January, 1999.

(e) Inventories

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

Product stocks are valued at the lower of cost of production and estimated realisable value less deductions for sugar industry special funds contributions and shipping and selling expenses, where applicable. Where markets are identified for sugar and molasses, the net realisable value is used if it is lower than the cost of production.

The Corporation does not value standing cane. The value of standing cane will be included in financial statements with effect from financial year 2003, the year from which IAS 41 (Agriculture) becomes mandatory. The value of standing cane is incorporated in the financial statements of Lochaber Limited.

(f) Research and development

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

(g) Foreign currency transactions

Foreign currency transactions are recorded in Guyana Dollars at the rates of exchange ruling at the date of such transactions. At the balance sheet date, foreign currency assets and liabilities are translated at the rates of exchange ruling at that date and resulting gains and losses are recognised in the profit and loss account.

(h) Sales

Sales represent the amounts earned from the sales of sugar and molasses during the year, net of sugar industry special funds contributions, shipping and selling expenses (2000 sales were net of export levy).

(i) Revenue recognition

Revenue is recognised when the product is shipped, or for domestic sales when the product is collected.

(j) Pension Scheme

The company participates in a contributory multi-employer pension scheme, Guyana Sugar and Trading Enterprises Pension Scheme, a defined benefit scheme, for its qualifying employees. The contributions are held in trustee administered funds, which are separate from the Corporation's finances.

An actuarial valuation carried out at 31st December 1998 for the Pension Scheme revealed a deficit of $999M. The actuaries have not quantified the extent of the deficits of the individual participating members, of which the company is the largest member; Guysuco's share is estimated to be $730M. This deficit was calculated on a going concern basis and thus allows, inter alia, for the effect of future salary increases on the Scheme's liabilities. The actuaries advised that, had the Scheme been terminated as at the date of the valuation, the available assets would have been sufficient to secure accrued benefits based on completed service and current salary levels.

To meet the deficit of the Scheme the actuaries recommended that the participating companies increase contributions to the Scheme by 3% above the current rate of 7% of members' salaries up to $2,880 per annum plus 13% of members' salaries in excess of $2,880 per annum up to September 30, 2001. This would cause the deficit to be fully funded after fifteen years.

During the year the Corporation's contribution to the Scheme was $193M (2000 $198M) which does not include any contribution towards the deficit on the Scheme.

Employees who have retired and are not members of the Pension Scheme are paid ex-gratia pensions, which are partially recoverable from the Sugar Industry Price Stabilisation Fund. Amounts not considered to be recoverable are provided for in the Profit and Loss Account.

(k) Deferred Tax

Deferred tax liabilities are recognised in respect of corporation taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits but only to the extent that it is anticipated that taxable profit will be available in future years.

(l) Skeldon Sugar Modernisation Project

All expenditure relating to the Mondernisation Project has been charged to work in progress.

Expenditure incurred to date on the Project comprises Project Management Costs ($517M) and the development of new cane areas ($871M). The Corporation has received written confirmation from the Government of Guyana that loans from the World Bank (IDA) and the Caribbean Development Bank have been pledged and the Government of Guyana has guaranteed all payment obligations under the contracts awarded for project implementation.

2. INCORPORATION AND ACTIVITIES

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

3. SHARE CAPITAL

The Corporation has an authorised share capital of 500,000,000 ordinary shares at a minimum issue price of $1 each of which 498,536,775 ordinary shares were issued at the minimum issue price. The Board of Directors has resolved to capitalise in 2002 as equity for issue to the Government of Guyana the Rehabilitation and Development Fund and the majority of the General Capital Reserves (Note 4) together amounting to $10,301,035,000.

4. CAPITAL RESERVES

	COMPANY		GROUP	
	2001 $M	**2000 $M**	**2001 $M**	**2000 $M**
(a) Rehabilitation & Development Fund	**9,363**	9,363	**9,363**	9,363
(b) General	**932**	932	**932**	932
(c) Revaluation Reserve	**53,821**	54,234	**53,821**	54,234
	64,116	**64,529**	**64,116**	**64,529**

(a) Rehabilitation & Development Fund
An agreement was reached between the Ministry of Finance and the Corporation to set up a Rehabilitation and Development Fund from levies payable. This fund represents additional equity contributions by the Government of Guyana. No balances have been transferred to the fund since 1996.

Notes to the Consolidated Financial Statements *(cont'd)*

	COMPANY		GROUP	
	2001 $M	**2000 $M**	**2001 $M**	**2000 $M**
(b) General				
1. Amounts received by the Corporation from the Sugar Industry Special Funds for rehabilitation work carried out on the Corporation's factories.	**25**	25	**25**	25
2. Monies received from the Government of Guyana for the purpose of financing projects in the Corporation's diversification programme.	**15**	15	**15**	15
3. The value of the net assets of Demerara Sugar Terminals Limited, which ceased trading in 1991 but continued as a department of the Corporation.	**38**	38	**38**	38
4. The value of loans and accrued interest assumed by the Government of Guyana.	**839**	839	**839**	839
5. The value of the net assets of Guyana Agricultural Products Corporation and Demerara Sugar Company Limited which were acquired by the Government of Guyana and the assets transferred to the Corporation.	**15**	15	**15**	15
	932	**932**	**932**	**932**
(c) Revaluation Reserve This amount represents:	**$M**	**$M**	**$M**	**$M**
1. The surplus of the net book values over the consideration paid for the acquisition of the Corporation's assets on nationalisation in 1976, less disposals.	**47**	47	**47**	47
2. Revaluation of Fixed Assets	**60,330**	60,330	**60,330**	60,330
Less: Provision for Deferred Corporation Tax	**(6,556)**	(6,143)	**(6,556)**	(6,143)
	53,821	**54,234**	**53,821**	**54,234**

The Corporation revalued its Freehold Land and Buildings and Factory Plant and Machinery as at 1st January 1999. The valuation of the land and buildings was undertaken by an independent valuer. The valuation of the plant and machinery was based on a value in use calculation.

5. DEFERRED TAX

There is no deferred tax for the Subsidiary. Recognised deferred tax assets/liabilities for the Corporation are attributable to the following items:

	COMPANY			
	Assets		Liabilities	
	2001 $M	2000 $M	2001 $M	2000 $M
Property, plant and equipment			**6,574**	7,252
Tax value of loss carry-forward utilised	**(110)**	(76)		
Stock provision	**(87)**	(156)		
	(197)	**(232)**	**6,574**	**7,252**

Movement in temporary differences during the year

	COMPANY			
	Balance 1st Jan 2001	Recognised in income	Recognised in equity	Balance 31st Dec 2001
Property, plant and equipment	7,252	(456)	(222)	6,574
Stock provision	(76)	(11)		(87)
Tax value of loss carry-forward utilised	(156)	46		(110)
	7,020	**(421)**	**(222)**	**6,377**

6. DEBENTURE

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
2% Government of Guyana debenture redeemable in the year 2000	**144**	144	**144**	144

The Government of Guyana has agreed that the repayment of the debenture be deferred.
It is therefore shown as a current liability in note 8.

7. FIXED ASSETS-COMPANY

	Freehold Land	Freehold Buildings Others	Freehold Buildings Wooden	State Land and Land Expansion Cost	Plant Machinery and Equipment	Work in Progress	Totals
	$M	$M	$M	$M	$M	$M	$M
Cost or valuation							
At 1st January 2001	43,811	10,843	3,120	40	20,005	2,883	**80,702**
Recategorisation		(13)	13				
Additions		30	5	3	829	957	**1,824**
Disposals	(9)	(22)	(33)		(540)		**(604)**
Transfers	9	109	41	33	906	(1,098)	
At 31st December 2001	43,811	10,947	3,146	76	21,200	2,742	**81,922**
Depreciation							
At 1st January 2001		478	143		7,101		**7,722**
Charge for the year		219	80	4	1,881		**2,184**
Retired on disposals		(2)			(463)		**(465)**
At 31st December 2001		695	223	4	8,519		**9,441**
Net book value at 31st December 2001	**43,811**	**10,252**	**2,923**	**72**	**12,681**	**2,742**	**72,481**
Net book value as at 31st December 2000 restated	**43,811**	**10,365**	**2,977**	**40**	**12,904**	**2,883**	**72,980**

FIXED ASSETS-GROUP

	Freehold Land	Freehold Buildings Others	Freehold Buildings Wooden	State Land and Land Expansion Cost	Plant Machinery and Equipment	Work in Progress	Totals
	$M	$M	$M	$M	$M	$M	$M
Cost or valuation							
At 1st January 2001	43,811	10,843	3,120	40	20,026	2,883	**80,723**
Recategorisation		(13)	13				
Additions		30	5	3	831	957	**1,826**
Disposals	(9)	(22)	(33)		(540)		**(604)**
Transfers	9	109	41	33	906	(1,098)	
At 31st December 2001	43,811	10,947	3,146	76	21,223	2,742	**81,945**
Depreciation							
At 1st January 2001		478	143		7,110		**7,731**
Charge for the year		219	80	4	1,883		**2,186**
Retired on disposals		(2)			(463)		**(465)**
At 31st December 2001		695	223	4	8,530		**9,452**
Net book value at 31st December 2001	**43,811**	**10,252**	**2,923**	**72**	**12,693**	**2,742**	**72,493**
Net book value as at 31st December 2000 restated	**43,811**	**10,365**	**2,977**	**40**	**12,915**	**2,883**	**72,991**

8. NET CURRENT ASSETS

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Current Assets				
Inventories (Notes (a) & (b) below)	3,250	3,881	3,250	3,881
Product stock	1,554	915	1,592	951
Trade receivables	1,345	2,156	1,345	2,150
Other receivables and prepayments	1,356	719	1,343	719
Related parties (Note (c) below)		40		40
Tax recoverable			10	
Cash and cash equivalents (Note 9)	2,831	1,760	2,887	1,760
	10,336	9,471	10,427	9,501
Current Liabilities				
Trade payables	740	210	740	225
Other payables and accruals	2,608	1,627	2,627	1,626
Related parties (Note (d) below)	569	446	520	340
Debenture (Note 6)	144	144	144	144
Dividends payable			22	11
Export sales levy	2,876	2,876	2,876	2,876
Tax payable	1,038	1,016	1,057	1,041
	7,975	6,319	7,986	6,263
Net Current Assets	2,361	3,152	2,441	3,239

(a) Inventories

	COMPANY 2001	COMPANY 2000	GROUP 2001	GROUP 2000
Gross (Note (b) below)	3,952	4,552	3,952	4,552
Less provision for slow moving and obsolete items	(702)	(671)	(702)	(671)
Net	3,250	3,881	3,250	3,881

A further $23M of obsolete stocks were identified and charged against the provision. Additionally the provision has been increased by $54M .

(b) Inventory Categories

	$M	$M	$M	$M
Fuel	84	101	84	101
Spares	1,926	2,844	1,926	2,844
Fertilisers and Chemicals	868	1,048	868	1,048
Other	1,074	559	1,074	559
	3,952	4,552	3,952	4,552

(c) Amounts due from Related Parties (Refer to Note 17)

	$M	$M	$M	$M
Booker Tate		40		40

(d) Amounts due to Related Parties (Refer to Note 17)

	$M	$M	$M	$M
Booker Tate	71	27	71	27
Lease Rentals (Government of Guyana)	449	313	449	313
Lochaber Limited.	49	106		
	569	446	520	340

9. CASH AND CASH EQUIVALENTS

		2000				
	000s	**000s**	**G$M**	**G$M**	**G$M**	**G$M**
US $	9,193	8,950	1,741	1,652	1,741	1,652
Sterling	649	102	178	28	178	28
Euro	870		146		146	
			2,065	1,680	2,065	1,680
G$			766	80	822	80
			2,831	**1,760**	**2,887**	**1,760**
Rate of conversion						
G$/US$			189.38	184.63	189.38	184.63
G$/GBP			274.58	275.42	274.58	275.42
G$/Euro			167.51		167.51	

10. SALES AND EXPORT LEVY

	COMPANY		**GROUP**	
	2001 $M	**2000 $M**	**2001 $M**	**2000 $M**
Sales (Note (a) below)				
Sugar	**21,614**	22,417	**21,614**	22,417
Molasses	**1,336**	668	**1,336**	668
Total Sales	**22,950**	**23,085**	**22,950**	**23,085**
Export sales levy				
Amount payable	**10,571**	11,413	**10,571**	11,413
Remitted by Government	**(10,571)**	(10,413)	**(10,571)**	(10,413)
	0	1,000	**0**	1,000
Net sales	**22,950**	**22,085**	**22,950**	**22,085**

The amount of export sales levy payable is calculated under the Sugar Levy Act of 1974 (as amended). Under Section 6(1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit $10,571M (2000 $10,413M) of the Sugar Levy payable.

	COMPANY		**GROUP**	
	2001 $M	**2000 $M**	**2001 $M**	**2000 $M**
(a) Sales by geographic area				
Europe	**16,998**	17,477	**16,998**	17,477
USA	**905**	1,475	**905**	1,475
Caribbean	**3,220**	2,768	**3,220**	2,768
Guyana	**1,827**	1,365	**1,827**	1,365
	22,950	**23,085**	**22,950**	**23,085**

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

The Directors consider therefore that segmentation of net profit and net assets by geographic area would not be meaningful.

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
11. NET (LOSS)/PROFIT BEFORE TAXATION	(1,235)	61	(1,202)	60
(a) After charging -				
Staff Costs				
Wages and salaries	12,051	11,656	12,051	11,656
Social security contributions	577	576	577	576
Contributions to pension scheme	193	198	193	198
Materials and services purchased	7,242	5,665	7,330	5,737
Lease obligations	136	136	136	136
Research and development expense	43	31	43	31
Directors' fees & expenses (Note (b) below)	11	10	11	10
Provision for slow moving and obsolete items	31		31	
Depreciation	2,184	1,277	2,186	1,277
Auditors' remuneration	6	6	6	6
Interest expense	24	3	24	3
Management fees and expenses (Note 17)	394	309	394	309
Loss on disposal of fixed assets	133	44	132	34
After crediting				
Net gain on exchange	20	27	20	27
Interest income	70	162	70	162
Provision for slow moving and obsolete items	54	115	54	115
Write back of Camp Street Property (Note (c) below)	(49)	161	(49)	161
Write back of legal costs provision	(2)	59	(2)	59

(b) Directors' fees & expenses	COMPANY 2001 $000	COMPANY 2000 $000	GROUP 2001 $000	GROUP 2000 $000
Chairman - Vickram Oditt	1,239	624	1,239	624
Director - Ronald Alli	84	84	84	84
Director - Donald Ramotar	84	84	84	84
Director - Edgar Heyligar *(resigned on 31st May 2001)*	35	84	35	84
Director - Dindyal Permaul	7		7	
Director - Joseph Vieira	7		7	
Director - Rajendra Singh	7		7	
Director - Hubert Rodney	7		7	
Director - Brian Webb	624	970	624	970
Director - David Carter	6,840	4,253	6,840	4,253
Director - Barry Newton	2,204	3,565	2,204	3,565
Director- Patrick Falconer			160	160
Director- Joseph King			160	160
	11,138	9,664	11,458	9,984

(c) Write back of Camp Street Property

The cost of $161M incurred on the construction of this property was written off in 1999 at which time the recoverable amount was assessed to be nil. The directors are confident that an amount of $112.5M representing estimated value of the land can be recovered from the disposal of this property and accordingly this amount was reinstated on the Corporation's books.

12. TAXATION	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Current year				
Corporation			17	7
Deferred Tax	(421)	373	(421)	373
	(421)	373	(404)	380
Witholding Tax	35		35	
Property Tax	166	169	166	169
Prior year				
Overprovision	(146)		(146)	15
	(366)	542	(349)	564

Reconcilation of corporation tax expenses and accounting profit:

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Accounting (loss)/profit	(1,235)	61	(1,202)	60
Corporation tax @35%	(432)	21	(421)	21
Add:				
Tax effect of expenses not deductible in determining taxable profits				
Depreciation for accounting purposes	765	448	765	448
Provision for slow moving and obsolete items	11	0	11	0
Others	47	36	47	36
	391	505	401	505
Deduct:				
Tax effect of depreciation for tax purposes	(483)	(582)	(483)	(582)
Interest and dividend	(18)	(12)	(15)	(12)
Provision for slow moving and obsolete items	0	(37)	0	(37)
Tax Effect of Loss	(110)	(126)	(97)	(126)

The Corporation incurred a loss of $314M (2000 $450M) for tax purposes for the year. It consequently has no Corporation tax liability for 2001 and together with tax losses brought forward has tax losses of $764M (2000 $450M) to set off against future taxable profits.

13. INVESTMENT IN SUBSIDIARY COMPANY

The Corporation holds 36.8% of the share capital of Lochaber Limited which is deemed to be a controlling interest. The investment is valued at original cost.

The Corporation's share of accumulated earnings of Lochaber Ltd. as at 31st December, 2001 amounted to $40M (2000 $36M).

14. RESTATEMENT OF OPENING BALANCES

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Revisions to valuation by valuers (Note (a) below)		(1,028)		(1,028)
Adjustment to opening depreciation		(82)		(82)
Recategorisation of revalued asset		(9)		(9)
Stock Adjustment		85		85
Standing cane				22
Total Prior Year Adjustments		**(1,034)**		**(1,012)**

(a) - Revision by valuers

The independent valuers after a review of the valuation assigned to buildings in 1999 decided during 2000 to reduce the 1999 valuation by an amount of $1,028M. This revised valuation was accepted by the directors and was reflected in the financial statements for 2000.

15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	COMPANY		GROUP	
	2001 $M	2000 $M	2001 $M	2000 $M
Expenditure authorised by the Directors but not committed	1,722	2,207	1,722	2,207

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

16. CREDIT, INTEREST RATE AND CURRENCY EXPOSURE

Exposure to credit, interest rate and currency risk arises in the normal course of the Corporation's business.

Credit risk

The Corporation has exposure to credit buyers of sugar. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. All buyers have consistently paid on time.

Investments are only allowed in liquid securities and only with counterparties which have a credit rating of AA or better. Given these high credit ratings management does not expect any counterparty to fail to meet its obligations.

At the Balance Sheet date there were no significant concentrations of credit risk.

Interest rate risk

The Corporation has no interest-bearing liabilities except for a government debenture. The rate of interest on the debenture is fixed and there is therefore no interest rate risk. The Corporation obtains competitive quotations before investing funds.

Currency risk

The Corporation incurs currency risk on sales and purchases which are denominated in a currency other than the Guyana dollar. The Corporation seeks to minimise exposure to currency risk by entering into forward contracts and other hedge instruments . The currencies giving rise to this risk are primarily the Euro, US dollar and pound sterling. At the reporting date the Corporation had assets in foreign currency consisting of cash and trade accounts receivable and liabilities consisting of trade accounts payable. The foreign currencyassets considerably exceeded the foreign currency liabilities, as is normal throughout the year.

The only financial instruments held at balance sheet date were trade debtors and trade creditors.

17. RELATED PARTIES

Booker Tate, a joint venture company incorporated in the United Kingdom, of which Tate & Lyle was a 50% shareholder, manages the Corporation under an agreement dated March 26, 1996. Under this agreement Booker Tate receives a fixed fee, a production incentive fee and reimbursement of certain expenses. The amounts paid to Booker Tate under the agreement were as follows:

	COMPANY		GROUP	
	2001 $M	**2000 $M**	**2001 $M**	**2000 $M**
Fixed fee (£350,000)	**99**	97	**99**	97
Production incentive fee	**89**		**89**	
Expenses	**206**	212	**206**	212
Total	**394**	**309**	**394**	**309**

Tate and Lyle was a related party until 10 August 2000 by virtue of owning 50% of the shares in Booker Tate Ltd. Sugar is sold to subsidiaries of Tate & Lyle, under agreements which have been in force for many years.

Sales to these subsidiaries in 2000 up to 10 August 2000 were as shown below:-

	COMPANY		GROUP	
	Tonnes	2000 $M	Tonnes	2000 $M
Tate & Lyle	77,222	7,132	77,222	7,132
Total	**77,222**	**7,132**	**77,222**	**7,132**

Vinelli Ltd. - a company of which Mr V. Oditt (Chairman of Guysuco) is the Chairman, makes sales to the Corporation. During the year Vinelli Ltd did not make any sales to the Corporation (2000 $9,420).

Vinelli Ltd also buys sugar from the Corporation at the regular price. During the year no purchases were made (2000 $457,919)

Jack A. Alli, Sons and Co., a firm of which Mr. R. Alli (Director of Guysuco) is Senior Partner, provided taxation advisory services to the Corporation during the year valued at $1M (2000 $1M).

Caribbean Molasses Company Inc.

Caribbean Molasses Company (CMC) was a related party until 10 August 2000 by virtue of being owned by Tate and Lyle.

The Corporation supplied molasses under contract to CMC. Under the contract (which was terminated on 31 December, 2000) CMC paid for molasses at a price related to the New Orleans quoted price, less a contribution to offset CMC's fixed and variable costs. New Orleans prices were unusually low during early 2000. Sales to CMC and related expenses in 2000 up to 10 August 2000 were as shown below:-

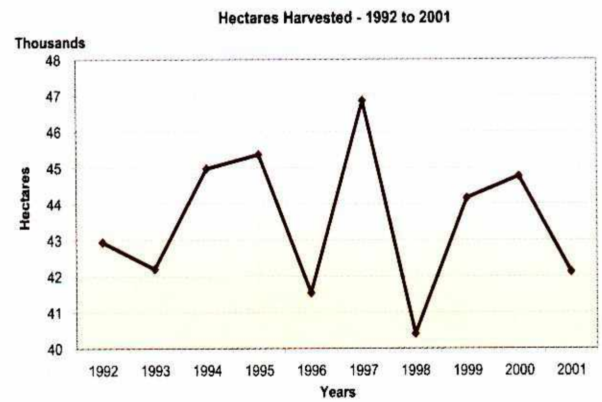
	COMPANY		GROUP	
	2001	Jan - Aug 2000 $M	2001	Jan - Aug 2000 $M
Sales		127		127
Less:				
Contributions to fixed and variable costs		(245)		(245)
Net loss		**(118)**		**(118)**

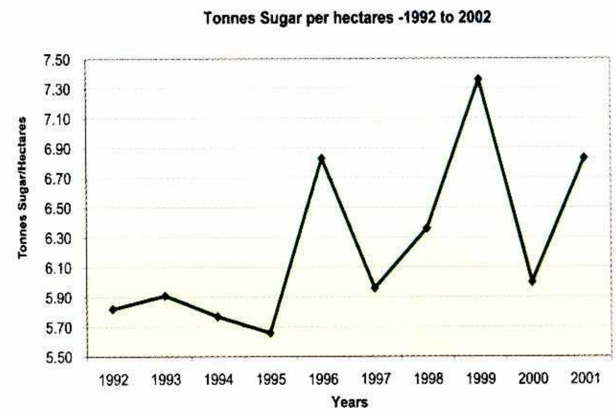
18. PENDING LITIGATION

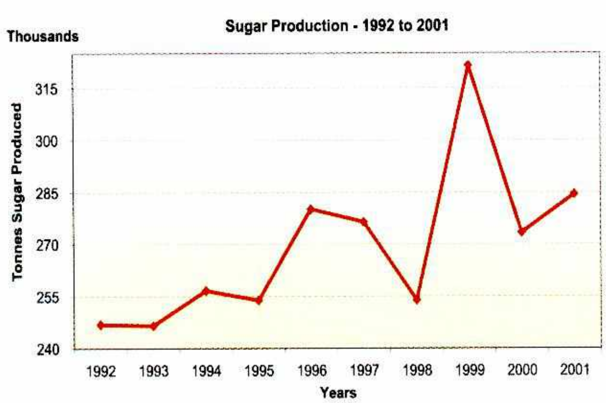
There are several actions for which the liability of the Corporation, if any, has not been determined. However, the Directors have provided for $39M (2000 $37M) which in their opinion will be not less than the maximum potential liability.

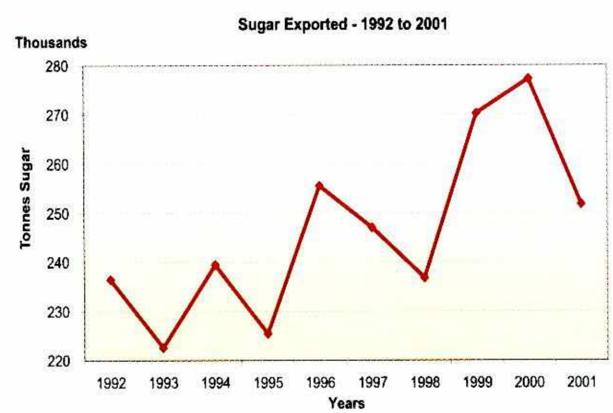
Ten Year Review Highlights 1992 - 2001

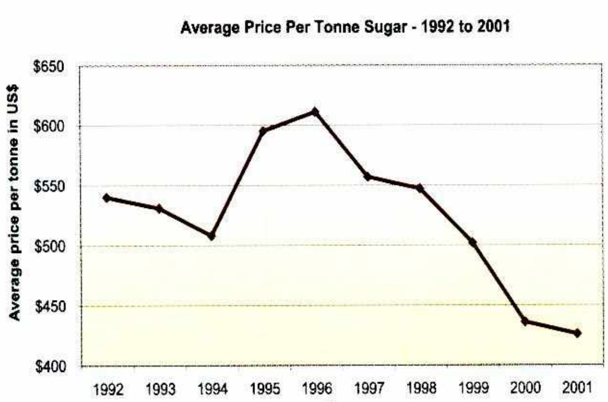
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
HECTARES HARVESTED	42,444	41,701	44,474	44,863	41,042	46,349	39,908	43,656	44,259	41,621
TONNE SUGAR/HECTARE	5.82	5.91	5.77	5.66	6.83	5.96	6.36	6.58	6.16	6.83
SUGAR PRODUCTION	246,898	246,522	256,657	253,837	280,116	276,392	253,871	321,438	273,318	284,441
SUGAR EXPORTED	236,434	222,598	239,424	225,420	255,527	247,058	236,773	270,248	277,267	251,798
AVERAGE PRICE/TONNE (US$)	540	531	508	595	611	557	547	502	436	426
EMPLOYMENT COST	4,873	6,041	7,092	7,892	8,764	9,230	9,718	12,384	12,430	12,821

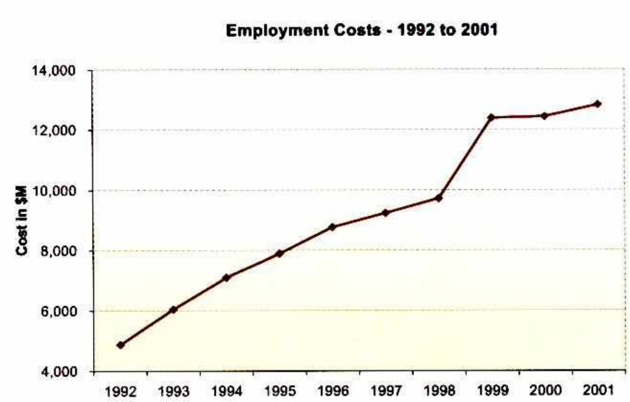












Ten Year Review

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
HECTARES HARVESTED	42,444	41,701	44,474	44,863	41,042	46,349	39,908	43,656	44,259	41,621
TONNES CANE MILLED('000)	3,130	3,223	3,199	2,956	3,222	3,074	2,966	3,596	2,984	3,142
YIELDS										
TONNES CANE/HECTARE	73.75	77.28	71.94	65.88	78.53	66.33	67.00	72.50	62.20	67.10
TONNES CANE/TONNE SUGAR	12.68	13.07	12.47	11.64	11.51	11.12	11.68	11.19	10.88	11.00
TONNES SUGAR/HECTARE	5.82	5.91	5.77	5.66	6.83	5.96	6.36	6.58	6.16	6.83
PRODUCTION (TONNES)										
SUGAR	246,898	246,522	256,657	253,837	280,116	276,392	253,871	321,438	273,318	284,441
MOLASSES	121,168	124,853	117,618	122,183	131,422	123,881	117,939	129,934	108,703	118,103
HOME CONSUMPTION (TONNES)										
SUGAR	20,233	23,664	21,800	22,993	23,599	24,616	23,996	23,682	23,667	24,437
MOLASSES	86,397	116,241	111,709	109,653	112,446	108,379	59,140	51,777	45,061	49,533
EXPORT (TONNES)										
SUGAR	236,434	222,598	239,424	225,420	255,527	247,058	236,773	270,248	277,267	251,798
MOLASSES	4,248	8,573	5,909	12,530	18,976	15,543	61,320	78,473	63,642	56,439
SALES:										
LOCAL SUGAR ($M)	984	1,143	1,053	1,111	1,142	1,189	1,157	1,098	1,094	1,109
AVERAGE PRICE/TONNE ($)	48,633	48,301	48,303	48,319	48,392	48,302	48,216	48,181	46,337	45,380
EXPORT SUGAR ($M)	15,965	14,971	16,812	18,310	21,920	19,284	19,818	23,657	22,106	20,287
AVERAGE PRICE/TONNE ($)	67,524	67,256	70,219	81,226	85,783	78,055	83,700	87,537	79,727	76,164
AVERAGE PRICE/TONNE (US$)	540	531	508	595	611	557	547	502	436	426
MOLASSES ($M)	384	398	607	732	818	453	580	448	669	1,330
AVERAGE PRICE /TONNE ($)	3,169	3,188	5,161	5,991	6,224	3,656	4,815	3,440	6,154	12,515
EXPENDITURE ($M)										
EMPLOYMENT COST	4,873	6,041	7,092	7,892	8,764	9,230	9,718	12,384	12,430	12,821
MATERIALS / OTHER SERVICES	6,954	6,415	6,732	8,504	9,676	8,484	8,266	9,279	7,978	7,314
PROFIT BEFORE TAX ($M)	394	761	1,101	702	674	680	860	2,073	60	(1,235)
PROFIT BEFORE TAX AND LEVY	5,364	4,120	4,129	3,602	5,315	2,680	2,680	3,873	1,060	(1,235)
PROFIT AFTER TAX ($M)	316	529	691	320	224	228	271	1,258	(504)	(869)
PROFIT AFTER TAX BEFORE LEVY	5,286	3,888	3,719	3,220	4,865	2,228	2,271	3,058	496	(869)
AVERAGE MID MARKET EXCHANGE RATE (G$/US$)	124.95	126.66	138.20	136.50	140.50	140.13	152.94	181.00	185.00	189.38