



Report and Accounts 1981



GLC

GUYANA LIQUOR CORPORATION LIMITED

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**GLC****GUYANA LIQUOR CORPORATION LIMITED****HIGHLIGHTS OF 1981**

	\$000	1980 \$000
Sales including Duty and Consumption Tax	87,934	81,642
Pre-Tax Profits	13,051	12,854
Profit after Taxation	6,917	7,108
Gross Assets	104,112	70,152
Shareholders' Funds	21,363	18,940
Dividends paid to state	2,171	2,171
Taxation, Duty and Consumption Tax	30,053	27,634
Total Direct Payment to State	32,224	29,805
Pre-Tax Profits as % of Sales	14.8	15.7
Sales as % of Gross Assets	84.5	116.4
Pre-Tax Profit as % of Shareholders' Funds	61.1	67.9
Pre-Tax Profit as % of Gross Assets	12.5	18.3
Earnings per share	40.2c.	42.2c.
Dividend Cover (Times)	2.1	2.2



GUYANA LIQUOR CORPORATION LIMITED

STATUTORY INFORMATION

Directors	Yesu Persaud – Chairman R. D. Webster W. A. Lee C. Hinds K. R. Samaroo I. Bacchus
Company Secretary	M. S. Farinha
Registered Office	61 Avenue of the Republic, Georgetown.
Solicitors	Clarke & Martin, 7 Brickdam & Manget Place, Georgetown.
Auditors	Barcellos & Company 106 Lamaha Street North Cummingsburg Georgetown
Bankers	Auditor General, 121 Parade Street, Kingston, Georgetown Royal Bank of Canada, Water Street, Georgetown. Guyana National Co-operative Bank, 1 Lombard & Cornhill Streets, Georgetown.



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GUYANA LIQUOR CORPORATION LIMITED

**MEMBERS OF THE
MANAGEMENT
COMMITTEE**



YESU PERSAUD
Chairman



M. S. FARINHA
Company Secretary



R. D. WEBSTER
Technical & Development



K. R. SAMAROO
Finance



G. L. ROBINSON
Administration & Operations
Diamond Distillery



R. MARTIN
Administration & Operations
Enmore Distillery & Vinegar Plant



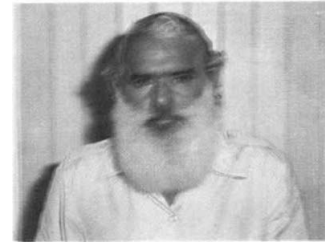
L. BALGOBIN
Research & Development



I. BACCHUS
Administration & Operations
Shipping Department



J. SOOKMANGAL
Administration & Operations
Uitvlugt Distillery



J. G. CAMACHO
Guyana Distilleries Ltd.
Georgetown Operations



G. W. GOPIE
Group Brand Marketing



C. F. WILTSHIRE
Administration & Operations
Distribution Services Ltd.



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GUYANA LIQUOR CORPORATION LIMITED

‘PROGRESS
THROUGH
PLANNING’

Against what would appear to be overwhelming odds, the Guyana Liquor Corporation has been able to maintain its position as a leader both at home and abroad in all of its operations. Planning for the future has always been the way of life with the GLC. Sometimes through well defined plans, the changes are imperceptible as in the case of the

increased production facilities at Uitvlugt Distillery. Sometimes the changes are dramatic as can be observed from the magnificent building which houses Seals and Packing Industries Limited. But at all times these changes have been effected through long detailed and carefully thought-out plans.

1976-1977 MARKET STUDY

1976 was the year when the Guyana Liquor Corporation came into existence. Careful reviews of the operations at this point of time, and professional long term predictions for the future of the operating entities indicated that the bottling facilities at both Guyana Distilleries Limited and Diamond Liquors Limited had to be significantly expanded to meet the demands from local and CARICOM markets. A careful study of the overseas bulk markets indicated that for the Corporation to keep on ahead in this area of operations, modern bulk storage and bulk loading facilities must be provided. It was also discovered that the distilling capacity both at Uitvlugt Distillery and Diamond Distillery had to be increased in such a manner as to make the Corporation flexible enough to provide any type of spirit required in reasonable quantities.



Wharf

1977 WHARF

The No. 4 sufferance Wharf at GDL which previously used to accommodate small vessels to move bottled products to and from Guyana was earmarked as the Wharf to accommodate large ocean-going bulk tankers to move spirits in bulk. In 1977 the No. 4 Wharf was modernised and extended to provide the necessary back-up delivery facilities of the proposed Bulk Terminal. This major exercise involved extensive piledriving and long hours of dynamiting old wreckages that blocked the entrance to the Wharf. Today the No. 4 Wharf performs its functions quietly and efficiently, and sits on the Waterfront in silent testimony of sound strategic planning.



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GUYANA LIQUOR CORPORATION LIMITED

**PROGRESS
THROUGH
PLANNING**

(Cont'd)

1978 - BULK TERMINAL

Today it would be unthought of to carry on the main business of the Corporation without the facilities of a Bulk Terminal, and yet just four years ago, the Bulk Terminal was not in sight. However, it was at a carefully "drawn up" stage. In 1978, the Bulk Terminal was completed. Transport facilities were provided, loading and handling facilities were installed. New selling systems were drawn up, and the marketing of our bulk rums became a modern and very sophisticated technique

Within the southern walls of the premises at 8/11 Water Street is housed a step into the future brought about by careful planning in the past.



Bulk Terminal

Bulk Tanker and Prime Mover.



Barrel Furniture

1978: BARREL FURNITURE

With the installation of the Bulk Terminal, the need for the Cooperage Department which was primarily responsible for the barrels in which rums were packaged before being shipped, had diminished to a point considered almost negligible. However, in planning due consideration was given to this and the stage had already been set to have these fine Craftsmen equally gainfully occupied.

Today the comfort from the use of household and office furniture in addition to the barrel furniture that these employees are producing have to be experienced to be believed.



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GUYANA LIQUOR CORPORATION LIMITED

**PROGRESS
THROUGH
PLANNING**
(Cont'd)

1978 - 1979 VINEGAR PLANT

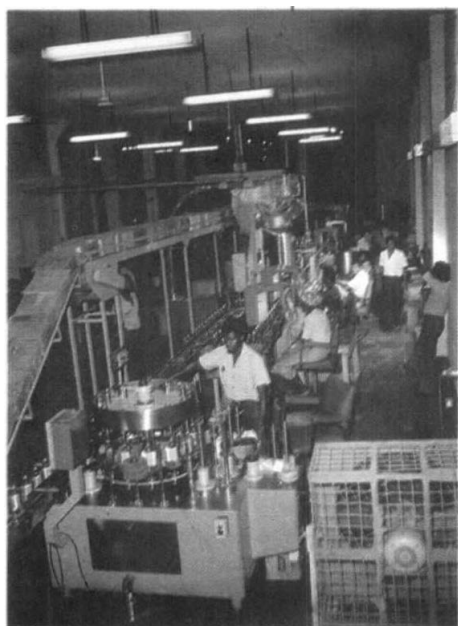


The Vinegar Plant Building



Vinegar Plant Equipment

Still at home, studies into other uses for alcohol led the Corporation to install a modern Vinegar Plant at the Enmore Complex. Importation of vinegar and vinegar substitutes was no longer necessary since the Corporation provided consumers with the best at the best price, in sufficient quantities, at the right time and place.



*Guyana Distilleries Limited
Bottling Line*

**1979 - 1980
NEW
BOTTLING
LINES**



Diamond Liquors Limited Bottling Line

These were the years when the plans for local market came into fruition. The bottling facilities capacity at GDL was considerably enlarged with the installation of a new complete High Speed Bottling Line. For the first time GDL was able to meet its local and overseas bottled products requirements.

The bottling capacity at DLL was also increased, and the Company was for the first time, able to capitalise on the full potential of all its products.



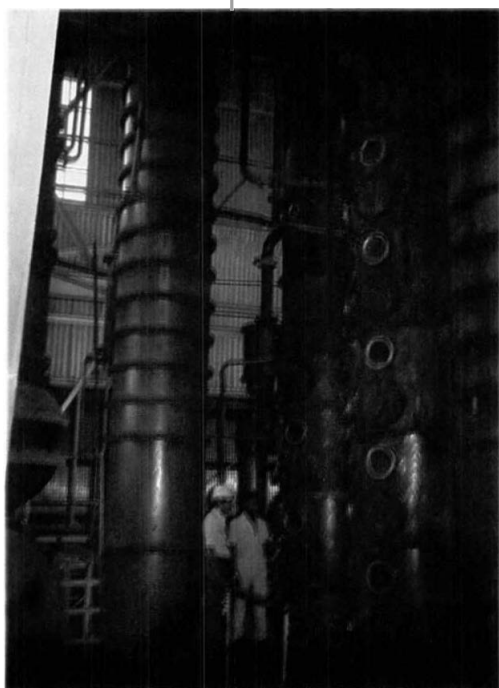
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GUYANA LIQUOR CORPORATION LIMITED

**PROGRESS
THROUGH
PLANNING**

(Cont'd)

**1979 - 1980 — ADDITIONAL STILL COLUMN
AT UITVLUGT**



*Additional Column
at Uitvlugt*

Years ago the installation of the No. 2 Still at Uitvlugt Distillery was left incomplete. The GLC after carefully investigating overseas markets, decided that in order to meet the requirements efficiently the capacity of the No. 2 Still had to be increased. 1980 saw the completion of this Project, and the increased productivity which this has provided has opened many new and rewarding markets.



Distribution Services Limited — Providence

1980 - 1981 DISTRIBUTION SERVICES LTD .



*Distribution Services Limited
Stanleytown, Berbice*

This Company which has undertaken the distribution of the operating companies' bottled products locally was incorporated in 1980.

It is now operating from two main locations at Providence on the East Bank Demerara and at Stanleytown, New Amsterdam, Berbice.

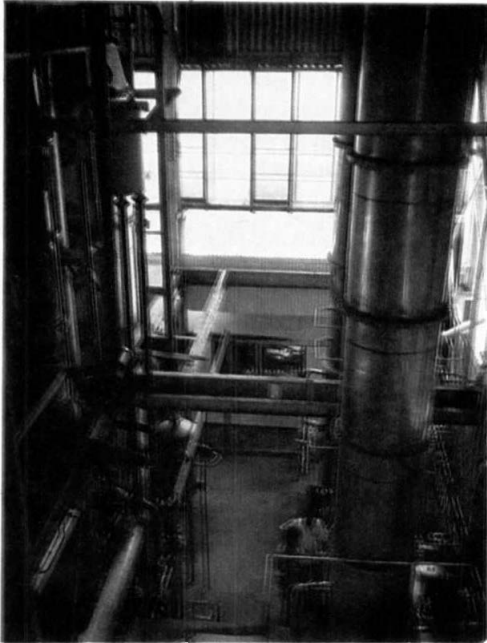


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GUYANA LIQUOR CORPORATION LIMITED

PROGRESS
THROUGH
PLANNING
(Cont'd)

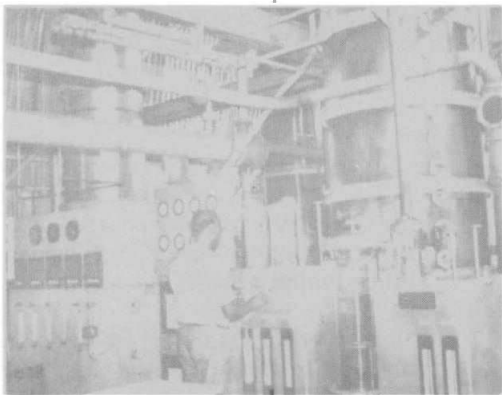
1981 - 1982 JOHN DORE/TRI-CANADA STILLS
& TRI-CANADA FERMENTATION PLANT



Tri-Canada Still

Planning to be effective must be on going, the way it is at the GLC. We are in the alcohol market and we know the future of the Corporation must not be centred on rums alone. Market studies have indicated that for a distilling operation to be vibrant and to remain healthy throughout the years, it must enter the Neutral Spirits Market.

It is planning such as this that led to the combined installation of the John Dore and Tri-Canada Stills at Diamond and these may be considered among the finest in the Caribbean. They have enlarged our capacity for finest Neutral Spirits to the point where we can compete in all the major spirit markets of the world. To keep the new Stills in full production, both the quality and capacity of the fermentation unit at the Distillery were increased with the addition of a New Fermentation Plant.



John Dore Still



New Fermentation Plant at Diamond

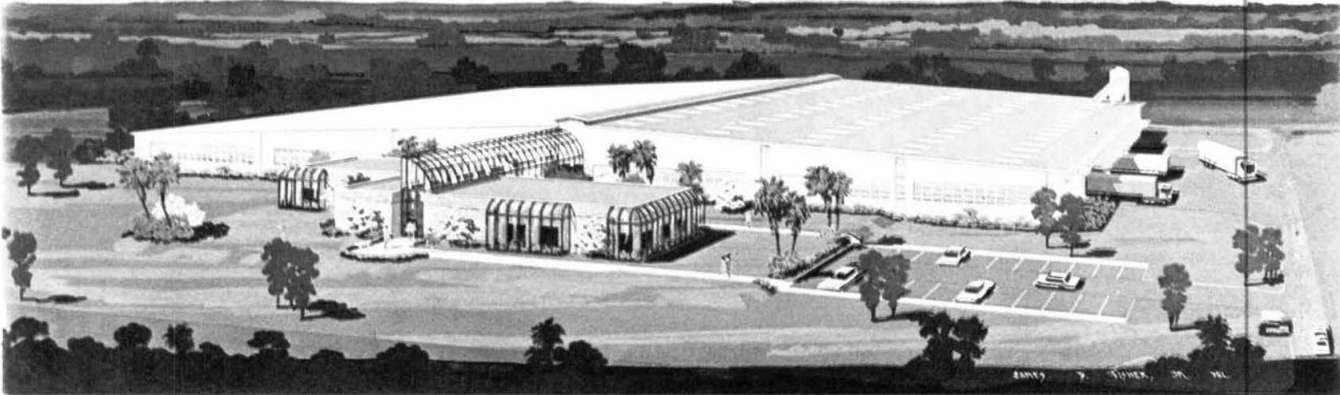


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GUYANA LIQUOR CORPORATION LIMITED

PROGRESS
THROUGH
PLANNING
(Cont'd)

1982 – SEALS AND PACKAGING
INDUSTRIES LTD.



Architect's impression of Seals and Packaging Industries Ltd. Building.

1982 will see the completion of Seals and Packaging Industries Ltd. which Project was started in 1981. Now for the first time, the country will be producing packaging materials. Using the finest equipment in the world, Seals and Packaging Industries Ltd. will provide every business that needs packaging materials with its requirements.

Seals and Packaging Industries Ltd. will supply the CARICOM and any other neighbouring markets. The men at Seals and Packaging Industries Ltd. are pioneers. The concept of Seals and Packaging Industries Ltd. is a brave innovative and inspiring one. What started from the idea of a good carton to protect and advertise the Corporation's bottled products, will blossom into a full-fledged corrugated carton enterprise producing for both the export market and local industries thus assisting the country in its progress – and all this through careful planning by the GLC.

Seals and Packaging Industries Ltd. is unique in its Capital Structure as it is really a Co-operative Venture among the GLC, Private Users, Insurance Companies and Financial Institutions which type of structure augurs well for development plans.



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GUYANA LIQUOR CORPORATION LIMITED

STATEMENT OF
VALUE ADDED
AND ITS DISTRIBUTION
FOR 1981

			1980
	\$000	\$000	\$000
Turnover		87,934	81,642
Deduct: Purchases of Goods and Services		36,707	36,408
TOTAL VALUE ADDED		51,227	45,234
Distributed as follows:			
To Central Government:			
Company Taxes	6,134		5,746
Duty and Consumption Taxes	<u>23,919</u>		21,888
		30,053	27,634
To employees			
Emoluments and Benefits		9,139	7,292
To Suppliers of Capital			
Interest on Borrowed Funds	3,509		1,706
Dividends to Shareholders	3,330		3,171
		6,839	4,877
Retained for Business:			
Depreciation	1,689		1,494
Retained Profits	3,507		3,937
		5,196	5,431
		51,227	45,234

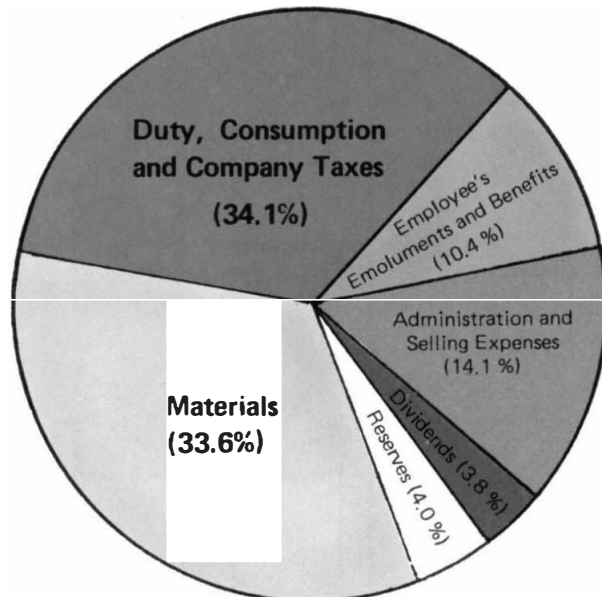


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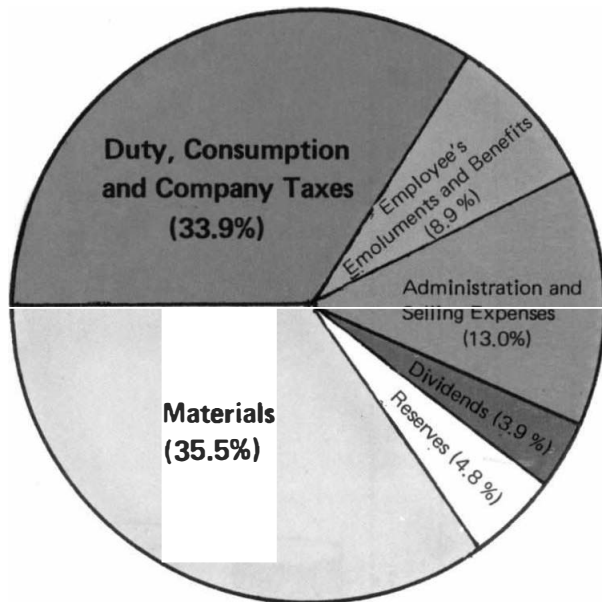
GUYANA LIQUOR CORPORATION LIMITED

**REVENUE
ANALYSIS
(SALES: 100%)**

1981



1980





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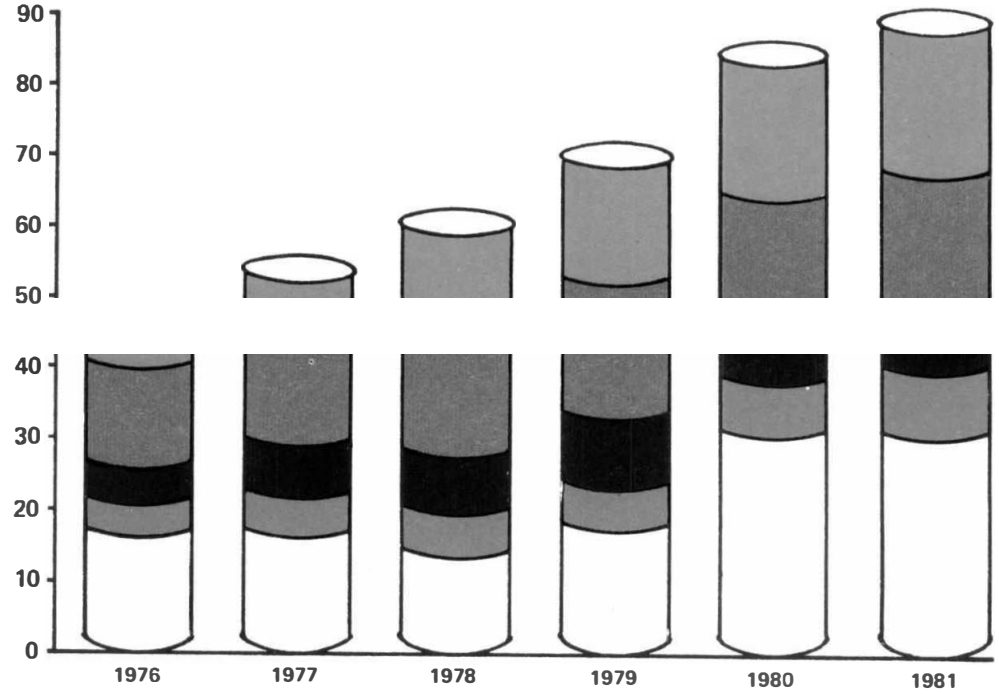
GUYANA LIQUOR CORPORATION LIMITED

SIX - YEAR HISTORY AT A GLANCE

- KEY**
- OPERATING PROFITS
 - DUTY AND CONSUMPTION TAX
 - EXPENSES
 - LABOUR
 - MATERIALS

\$M

Sales

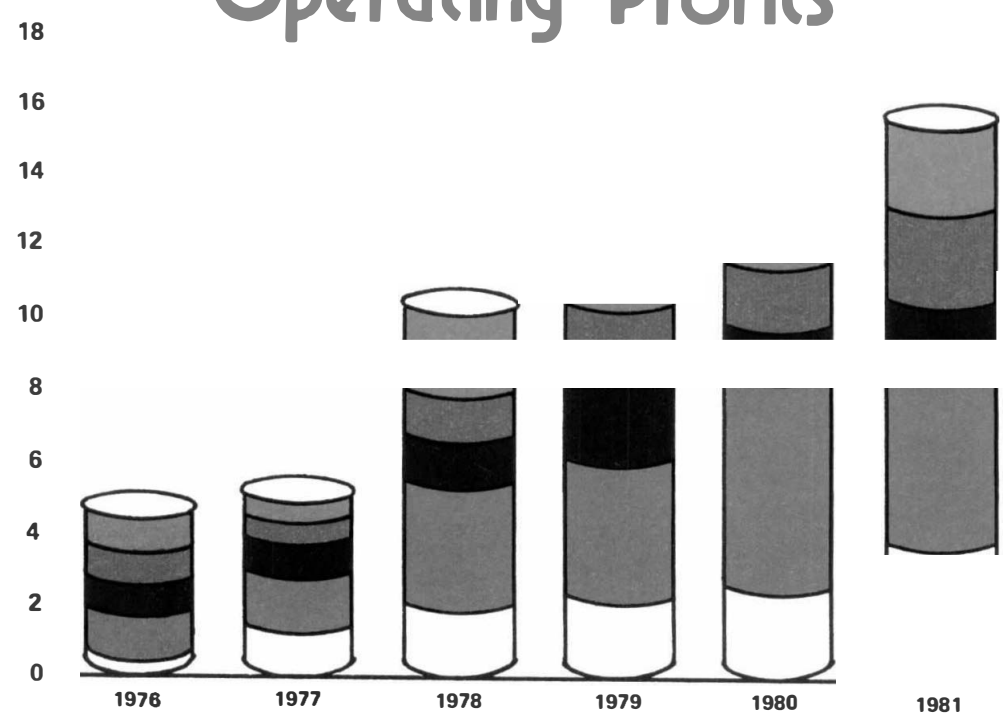


KEY

- RETAINED PROFITS
- MINORITY INTERESTS
- DIVIDENDS
- TAXATION
- INTEREST

\$M

Operating Profits





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GUYANA LIQUOR CORPORATION LIMITED

CHAIRMAN'S REPORT



Y. Persaud

THE YEAR UNDER REVIEW

The world recession has created havoc in the demand for commodities including alcohol, resulting in very low uneconomic prices, in addition to which the recession has reduced the restricted alcohol market even further and so competition is greater than ever for a share of a smaller market.

The GLC's policy of 'on the spot' marketing and giving the best of service at all times has enabled the Group to hold its own in the market and I am happy to report that our profitability is the highest in the history of the Corporation.

PROFITABILITY

Pre-Tax Profit for the year was \$13.051M compared with \$12.854M in 1980. The profitability of the Operating Companies, Guyana Distilleries Limited, Diamond Liquors Limited, Demerara Distilleries Limited and Demerara Food Products Limited were very satisfactory in 1981.

DIVIDENDS, DUTY, TAXATION AND CONSUMPTION TAX

Dividends, Duty, Taxation and Consumption Tax paid during the year amounted to \$32.244M, compared with \$29.805M in 1980.

RETURN ON INVESTMENT

The return on gross assets was 12.5%, and Net Capital employed 19.5%—very reasonable rates of return, especially in the light of the fact that the returns are on current values.

PRODUCTION

Distilleries' production increased marginally in 1980, and this is noteworthy especially in the light of the Fire at Enmore Distillery and the major Rehabilitation Programme at Diamond Distillery.

BULK TERMINAL

The Bulk Terminal operated very effectively and efficiently during the year and the Terminal is now the hub of our export operations.

DISTRIBUTION SERVICES LIMITED

This Company was incorporated in 1980 and provides distribution services locally for bottled products of the operating companies. Because of constraints, it is difficult to have a fleet of vehicles on the roads, but the Company was able to maintain a satisfactory service in 1981.

MARKETS

(a) Bulk

There is still an over-supply situation of over 16 million gallons of spirits in the Caribbean looking for markets; and competition is greater than ever because of the recession. The GLC however did remarkably well and exports increased by 7.1%.

(b) Caricom

The GLC Companies have maintained their own in Caricom, despite the constraints in obtaining certain raw materials, and Richemond Brandy showed quite a reasonable increase in sales.



GUYANA LIQUOR CORPORATION LIMITED

CHAIRMAN'S REPORT

(cont'd.)

(c) Local

- (i) The Local Market for rum increased only marginally but there has been a substantial drop of 80% in Gin Sales. However, Smirnoff Vodka picked up some of the Gin Sales and did remarkably well in comparison to 1980.
- (ii) Our EHP Vinegar and Three Counties have been well accepted in the market and there was no shortage during the year despite the Enmore Fire.
- (iii) Heritage Rose is doing reasonably well and stocks have been set aside for ageing to meet demands.

CAPITAL EXPENDITURE

- (i) The Rehabilitation and Expansion Programme at Diamond was completed in March 1982, the total cost of which is \$11.776M.
- (ii) **Seals and Packaging Industries Limited (SAPIL)**
This Project started in April 1981, but the inclement weather and shortage of cement hindered progress for several weeks, but once the weather had improved and cement was available, construction work went full speed ahead and the Project is expected to commence operations in September 1982. This Plant would be producing packages for the local and export markets. There will be import substitution and a boost to the Agricultural Industry, as packaging would now be available to market our agricultural produce in Caricom and other markets in addition to which there is a tremendous export potential.

OTHER PROJECTS

Because of the foreign exchange constraints, the Yeast Project and Balata Project had to be shelved for the time being. There is still some work going on in these areas, but strictly at developmental level.

CARIBBEAN BASIN INITIATIVE

It is very difficult to say at this time whether the C.B.I. will have approval in Congress in the form it has been proposed.

INDUSTRIAL RELATIONS

The Industrial Relations climate in the operating companies were extremely good in 1981 and we hope this would continue in 1982.

STAFF

The success of any organisation depends on its staff, and I am very happy to report that staff at all levels applied themselves very well during the year and contributed in attaining the objectives of the Group.

Basic skills however are in short supply and this may create some problems in the future, as something tangible will have to be done to retain skills in the country.



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GUYANA LIQUOR CORPORATION LIMITED

CHAIRMAN'S REPORT

(cont'd)

PROSPECTS

1982 is expected to be a most difficult year as the full impact of the recession is now being felt and there has been many cancellations of orders. However, we are still confident that we can retain our share of an even more restricted market as the Group now has greater flexibility in shifting from Rum to Neutral Spirit for the export trade which will be pushed to the maximum in 1982.

Neutral Spirit is a totally new business to the Group and we have to establish ourselves as a reliable supplier of a quality product at a competitive price. Our success in this new market will be determined by our ability to deliver where, when and how it is wanted. Promotional visits to Buyers and Distributors will have to be intensified in 1982 to maintain our market share during this difficult period.

The Group can only remain a viable entity by producing high quality products at competitive prices and I am certain that our employees at all levels are conscious of this, and that every effort would be made to increase production and productivity, thereby reducing unit costs and improving overall profitability.

ACKNOWLEDGEMENTS

I would like to thank all employees at all levels for the contribution they made during the year, the Board of Directors for their continued support and guidance, and above all, our customers at home and abroad without whose support these results would not have been possible.

**GLC****GUYANA LIQUOR CORPORATION LIMITED****REPORT OF
THE AUDITORS**

**To the Members of
Guyana Liquor Corporation Limited**

We have examined the accounts on pages 17 to 28 which are in agreement with the books of the Company, and have been prepared under the historical cost convention, including the revaluation of the fixed assets as explained in Note 6. We have obtained all the information and explanations we have required.

In our opinion, based on our examination and the reports of the auditors of the subsidiaries not audited by us, these accounts give under the accounting convention stated above, a true and correct view of the state of affairs of the Company and Group at 31st December 1981, and of the net income, source and application of funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

BARCELLOS & CO.
Certified Accountants

106 Lamaha Street
North Cummingsburg
Georgetown
Guyana
31st August, 1982

R. P. FARNUM, A.A.
Auditor General

121 Parade Street
Kingston
Georgetown
Guyana
31st August 1982



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GUYANA LIQUOR CORPORATION LIMITED

CONSOLIDATED
PROFIT AND LOSS
ACCOUNT
FOR THE YEAR ENDED
31 DECEMBER 1981

	Notes	\$000	1980 \$000
Turnover	2	87,934	81,642
Profit before interest and taxation	3	16,560	14,560
Interest		3,509	1,706
Profit before taxation		13,051	12,854
Taxation	4	6,134	5,746
Net profit after taxation		6,917	7,108
Minority Interest		2,323	2,283
Net profit attributable to group		4,594	4,825
Dividend Proposed		2,171	2,171
Retained profit for year		2,423	2,654
Earnings per share in cents	5	40.2	42.2



GUYANA LIQUOR CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER, 1981

	Notes	\$000	1980	
			\$000	\$000
FIXED ASSETS	6	60,274		28,913
INVESTMENTS	7		75	75
FORMATION EXPENSES			57	57
CURRENT ASSETS				
Stocks and work-in-progress		24,289		22,361
Debtors and prepayments		13,085		12,381
External Payment Deposit	8	5,552		2,348
Cash on hand and at bank		780		4,017
		43,706		41,107
CURRENT LIABILITIES				
Creditors and accruals		21,720		15,347
Loans due in 1982	9	3,554		3,463
Proposed dividends		2,171		2,171
Taxation		2,522		4,291
Bank overdraft		7,136		8,377
		37,103		33,649
NET CURRENT ASSETS			6,603	7,458
			<u>67,009</u>	<u>36,503</u>
FINANCED BY:				
Share Capital				
Authorised 15,000,000 ordinary \$1 shares			15,000	15,000
Issued and fully paid 11,427,086 ordinary \$1 shares			11,427	11,427
Capital reserves	10		403	403
Retained earnings	11		9,533	7,110
SHAREHOLDERS' FUNDS			21,363	18,940
Application for shares	12			845
Minority interests	13		13,530	10,606
Deferred taxation			3,053	2,014
Loans due after 1982	9		29,026	4,052
Pension provision			37	46
			<u>67,009</u>	<u>36,503</u>

Y. Persaud
K. R. Samaroo
Directors



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GUYANA LIQUOR CORPORATION LIMITED

**BALANCE SHEET
AT 31 DECEMBER 1981**

	Notes	\$000	\$000	1980 \$000	\$000
FIXED ASSETS	6		652		633
INTEREST IN SUBSIDIARIES	14		22,548		• 15,643
CURRENT ASSETS					
Stocks				61	
Debtors		55		138	
Dividends receivable		1,265		1,265	
Owing by subsidiaries		6,265		1,016	
External payment deposit	8	1		16	
Cash on hand and at bank				1,808	
		7,587		4,304	
CURRENT LIABILITIES					
Creditors and accruals		742		385	
Loans due after 1982	9	1,656		2,208	
Proposed dividends		2,171		2,171	
Owing to subsidiaries		2,931		1,678	
Bank overdraft		2,406		189	
		9,906		6,631	
NET CURRENT LIABILITIES			(2,319)		(2,327)
			20,881		13,949
FINANCED BY:					
Share Capital					
Authorised 15,000,000 ordinary \$1 shares					
			15,000		<u>15,000</u>
Issued and fully paid 11,427,086 ordinary \$1 shares					
			11,427		11,427
Capital reserves	10		84		84
SHAREHOLDERS' FUNDS					
			11,511		11,511
Loans due after 1982	9		9,370		2,438
			20,881		<u>13,949</u>

Y. Persaud
K. R. Samaroo
Directors



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GUYANA LIQUOR CORPORATION LIMITED

**CONSOLIDATED
STATEMENT OF SOURCE
AND APPLICATION
OF FUNDS FOR 1981**

	\$000	\$000	1980 \$000	\$000
SOURCE OF FUNDS				
Profit before taxation less minority interests		10,728		10,571
Adjustments for items not involving the movement of funds:				
(Profit)/Loss on sale of Fixed Assets		8		(8)
Formation Expenses				10
Depreciation		1,689		1,494
Minority interests in retained profits for the year		1,164		1,561
TOTAL GENERATED FROM OPERATIONS		13,589		13,628
FUNDS FROM OTHER SOURCES				
Sale of Fixed Assets		255		8
Application for new shares				845
Issue of shares to minority		915		2,078
Loans		28,147		442
Sale of investments				2
		42,906		17,003
APPLICATION OF FUNDS				
Purchase of fixed assets	33,313		5,977	
Formation expenses			45	
Loans repayments	3,082		1,454	
Dividends paid	2,171		2,077	
Tax paid	6,864		5,839	
Pension	9		9	
		45,439		15,401
INCREASE/(DECREASE) IN WORKING CAPITAL		(2,533)		1,602
REPRESENTED BY:				
Increase in stocks and work-in-progress		1,928		3,855
Increase in debtors and prepayments		704		1,637
Increase in external payment deposit		3,204		827
Increase in creditors and accruals		(6,373)		(3,533)
Movement in net liquid funds:				
Investment - Treasury Bills			(1,021)	
Increase/(Decrease) in cash balances	(3,237)		2,608	
(Increase)/Decrease in bank overdraft	1,241		(2,771)	
		(1,996)		(1,184)
		(2,533)		1,602



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GUYANA LIQUOR CORPORATION LIMITED

NOTES ON
THE CONSOLIDATED
ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 1981

1. ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) The consolidated accounts incorporate the accounts of the Company, the consolidated accounts of the subsidiaries, Guyana Distilleries Limited, and Diamond Liquors Limited and the accounts of its subsidiaries, Demerara Food Products Limited, Seals and Packaging Industries Limited and Distribution Services Limited.

(ii) All inter-company balances and transactions are eliminated on consolidation.

(b) Depreciation

No depreciation is provided on freehold land and construction work-in-progress. Other fixed assets are depreciated on the straight-line basis over their estimated useful lives as follows:

Freehold Building	2%
Plant and Machinery – Distillery	6¼%
Plant and Machinery – Others	7½%
Office Equipment	12½%
Furniture, Fixtures and Fittings	10%
Sundry Equipment	20%
Vehicles	25%

(c) Stocks, Stores and Work-in-progress

Stocks and stores are valued at the lower of cost and net realisable value. Cost includes insurance and freight. Work-in-progress is valued at cost of materials and direct overheads.

(d) Deferred Taxation

Deferred Taxation is provided at current rates on the amount by which the book values of these assets which qualify for tax allowances exceeded their written down values for tax purposes.

(e) Foreign Currency Translation

Foreign Currency transactions are converted to Guyana Dollars at the rates of exchange ruling at the dates of such transactions.

At balance sheet date all amounts denominated in foreign currencies are translated to Guyana dollars at exchange rates ruling at that date.

Gains and losses arising from the translation of foreign currencies are included in net profit.

(f) Formation Expenses

Formation expenses are written-off over a period of five years.

(g) Currency

These accounts have been prepared in Guyana dollars.

**GLC****GUYANA LIQUOR CORPORATION LIMITED****NOTES ON
THE ACCOUNTS***(Cont'd)***2. TURNOVER**

Turnover represents the value of goods inclusive of excise duty and services, sold to third parties.

	1981	1980
3. PROFIT BEFORE INTEREST AND TAXATION	\$000	\$000

, is arrived at after accounting for:

Depreciation	1,689	1,494
Auditors remuneration	60	56
Profit/(Loss) on sale of fixed assets	(8)	8
Research and Development Expenses	168	5

4. TAXATION

Taxation charge based on profits for the year is made up as follows:

Income and Corporation Tax at 45%	4,755	4,985
Prior Year	97	
Property Tax	242	243
Deferred Tax	1,040	518
	6,134	5,746

5. EARNINGS PER SHARE

This is based on the net profit attributable to the Group divided by the ordinary shares issued and fully paid at the end of the year as follows:-

Net Profit attributable to Group	4,594	4,825
Ordinary shares of \$1 each issued and fully paid	11,427	11,427
Earnings per \$1 share in cents	40.2	42.2



GLC

GUYANA LIQUOR CORPORATION LIMITED

**NOTES ON
THE ACCOUNTS**
(Cont'd)

6. FIXED ASSETS

	GROUP			COMPANY		
	Lands and Buildings \$000	Equipment \$000	Total \$000	Lands and Buildings \$000	Equipment \$000	Total \$000
Cost or Valuation						
At 1 Jan. 1981	15,678	22,590	38,268	420	442	862
Additions	5,887	27,426	33,313		147	147
Disposals	(27)	(400)	(427)			
At 31 Dec. 1981	<u>21,538</u>	<u>49,616</u>	<u>71,154</u>	420	589	1,009
Comprising						
Valuation	7,965	68	8,033			
Cost	13,573	49,548	63,121	420	589	1,009
	<u>21,538</u>	<u>49,616</u>	<u>71,154</u>	420	589	1,009
Accumulated Depreciation						
At 1 Jan. 1981	1,363	7,992	9,355	76	153	229
Provision for year	296	1,393	1,689	9	119	128
Retired on Disposal	(3)	(161)	(164)			
At 31 Dec. 1981	1,656	9,224	10,880	85	272	357
Net Book Values						
At 31 Dec. 1981	19,882	40,392	60,274	335	317	652
At 31 Dec. 1980	14,315	14,598	28,913	344	289	633

- (i) Included in Net Book Value of Assets at 31 December 1981 is an amount of \$31,329,000 (1980 - \$1,014,000) being construction work-in-progress at that date.
- (ii) The Free-hold Land and Buildings of Guyana Distilleries Limited were revalued on 9 December 1974 and those of Diamond Liquors Limited were revalued on 31 December 1977 in accordance with professional advice to reflect market values.

Certain Equipment acquired by Guyana Distilleries Limited were revalued by the Directors in 1978 to reflect current market values.

The surpluses created from these revaluations have been transferred to capital reserves which has since been partly utilised to issue bonus shares.

7. INVESTMENTS	GROUP		COMPANY	
	1981 \$000	1980 \$000	1981 \$000	1980 \$000
3½ % Guyana National Defence Bonds redeemable in 1987	75	75		



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GUYANA LIQUOR CORPORATION LIMITED

**NOTES ON
THE ACCOUNTS**

(Cont'd)

	GROUP		COMPANY	
	1981 \$000	1980 \$000	1981 \$000	1980 \$000
8. EXTERNAL PAYMENT DEPOSIT				
This amount represents cash deposits at commercial banks pending permission from the Bank of Guyana for the Company to remit to overseas suppliers.				
9. LOANS				
(a) Offshore Loan (US\$2.6M) from Guyana State Corporation repayable in 3 equal annual instalments commencing 19 September 1978		1,027		
(b) Offshore loan (US\$0.9M) from Royal Bank of Canada repayable in four equal annual instalments commencing 31 December 1978.		1,039		1,039
(c) Offshore loan (US\$1.132M) from Royal Bank of Canada repayable in six semi-annual instalments commencing April 1981.	2,283	2,905	2,283	2,905
(d) Finance of capital goods from Lloyds Bank Limited through Guyana National Co-operative Bank repayable in 10 semi-annual instalments commencing 25 October 1979.	536	702	536	702
(e) Local loan from GNCB Trust Corporation at interest rate of 12.5% per annum and principal repayable in 3 years commencing 1981.	1,260	1,400		
(f) Mortgage loan from Royal Bank Trust Company (Guyana) Limited at interest rate of 12% repayable in five years commencing 1981	354	442		
(g) Offshore loan (US\$2.5M) from the Export/Import Bank of the United States of America repayable in 10 equal semi-annual instalments commencing 10 November 1982.	7,330			
Sub-total carried forward	11,763	7,515	2,819	4,646



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GUYANA LIQUOR CORPORATION LIMITED

**NOTES ON
THE ACCOUNTS**

(Cont'd)

	GROUP		COMPANY	
	1981 \$000	1980 \$000	1981 \$000	1980 \$000
9. (Cont'd)				
Sub total brought forward	11,763	7,515	2,819	4,646
(h) Offshore loan (US\$2.631M) from the Caribbean Development Bank repayable in 22 equal semi-annual instalments commencing 15 June 1985.	7,944			
(i) Offshore loan (US \$0.82M) from the Caribbean Development Bank repayable in 18 equal semi-annual instalments commencing 15 April 1983.	1,686			
(j) Offshore loan (Can. \$0.552M) from Export Development Corporation repayable in 10 equal semi-annual instalments commencing 30 June 1982.	1,414		1,414	
(k) Offshore loan (Can. \$0.7M) from Canadian International Development Agency repayable in 5 equal annual instalments commencing in 1983.	1,793		1,793	
(l) Finance of Capital Goods from Lloyds Bank Ltd. through GNGB repayable in 6 semi-annual instalments commencing April 1982.	335			
(m) Local loan from Barclays Bank Int. Ltd. at interest rate of 13.5% per annum and principal repayable in 4 years commencing 1982.	1,145			
(n) Local loan from Royal Bank of Canada at interest rate of 13.5 % per annum and principal repayable in 4 years commencing 1982.	1,500			
(o) Local loan from GNGB Trust Corporation at interest rate of 14% per annum and principal repayable in 6 years commencing 1983.	3,000		3,000	
Sub-total carried forward	30,580	7,515	9,026	4,646



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GUYANA LIQUOR CORPORATION LIMITED

**NOTES ON
THE ACCOUNTS**
(Cont'd)

	GROUP		COMPANY	
	1981 \$000	1980 \$000	1981 \$000	1980 \$000
9. (Cont'd)				
Sub-Total brought forward	30,580	7,515	9,026	4,646
(p) Local loan from Chase Manhattan Bank with interest rate of 13.5% per annum and principal repayable in 6 years commencing 1983.	2,000		2,000	
	32,580	7,515	11,026	4,646
Repayments due within 12 months classified as current liabilities	3,554	3,463	1,656	2,208
	29,026	4,052	9,370	2,438
10. CAPITAL RESERVE				
At 1 January	403	146	84	84
Transfer from Revenue Reserve		268		
Less: Reduction arising from increased minority interest		(57)		
Share premium		46		
At 31 December	403	403	84	84
11. REVENUE RESERVE				
At 1 January	7,110	5,298		
Transfer to Capital Reserves		(268)		
Less: Reduction arising from increased minority interest		(574)		
Retained profit for year	2,423	2,654		
	9,533	7,110		
12. APPLICATION FOR SHARES				
This sum represents cash deposited for shares applied for in Seals and Packaging Industries Limited on 30 June 1980.				
13. MINORITY INTEREST				
Ordinary Share Capital	7,929	6,169		
Reserves	4,935	3,771		
Dividend proposed	666	666		
	13,530	10,606		



GUYANA LIQUOR CORPORATION LIMITED

**NOTES ON
THE ACCOUNTS**
(Cont'd)

	GROUP		COMPANY	
	1981 \$000	1980 \$000	1981 \$000	1980 \$000
14. INTEREST IN SUBSIDIARIES				
Investment in subsidiaries				
Ordinary \$1 shares held in Diamond Liquors Limited 4,729,968 shares at cost			2,600	2,600
Guyana Distilleries Limited 6,601,150 shares at 1978 valuation of \$1.35			8,912	8,912
Distribution Services Limited 10,000 shares at \$1 at cost			10	10
Seals and Packaging Industries Limited 5,000,000 shares at \$1 at cost			5,000	
Loans to subsidiaries			16,522	11,522
Diamond Liquors Limited			5,193	2,784
Guyana Distilleries Limited			833	1,337
			22,548	15,643
In previous years there was no distinction of current accounts in disclosure of Interest in Subsidiaries. The reported figures for 1980 have been restated to account for this disclosure.				
15.	On 1 June 1981 the Guyana Dollar which was aligned to the US Dollar was realigned to a basket of Currencies, resulting in an increase of 18% upon conversion or translation of amounts denominated in Foreign Currencies after this date.			
16.	On 30 January 1981 shares applied for in Seals and Packaging Industries Limited were allotted. Companies within the Group were allotted 7,240,000 shares making the Group's effective interest 72.3%.			
17. CAPITAL COMMITMENT	1981 \$000	1980 \$000	1981 \$000	1980 \$000
Authorised and contracted for	1,104	25,686		
Authorised but not contracted for	9,194	12,561	570	783
18. CONTINGENT LIABILITY				
Bonds in respect of duty on spirits warehoused and exportation of goods	3,199	2,599		
Guarantee in respect of borrowing of other parties	150	54	2,747	16
Bonds in respect of duty on goods imported under the Industries Aid and Encouragement Act Chapter 95:01	467	467	467	467



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GUYANA LIQUOR CORPORATION LIMITED

**NOTES ON
THE ACCOUNTS**
(Cont'd)

19. PARTICULARS OF SUBSIDIARIES

Name of Company	Country — Registration of Incorporation	Identity of each Class of Shares held	Proportion of issued Shares held by the Group
Diamond Liquors Limited	Guyana	4,729,968 ordinary shares of \$1.00 each	55.6%
Guyana Distilleries Limited	Guyana	6,601,150 ordinary shares of \$1.00 each	73.3%
Demerara Distilleries Limited	Guyana	1,000,000 ordinary shares of \$1.00 each held by Guyana Distilleries Limited	73.3%
Demerara Food Products Limited	Guyana	250,000 ordinary shares of \$1.00 each being held in equal amounts by the above subsidiaries	64.5%
Distribution Services Limited	Guyana	10,000 ordinary shares of \$1.00 each.	100%
Seals & Packaging Industries Ltd.	Guyana	7,240,000 ordinary shares at \$1.00 each (see note 12) being held as follows:	
		GLC 5,000,000	72.3%
		GDL 1,500,000	
		DLL 740,000	



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GUYANA LIQUOR CORPORATION LIMITED

**SIX YEAR
HISTORY**

	1976 \$000	1977 \$000	1978 \$000	1979 \$000	1980 \$000	1981 \$000
Sales	45,796	50,774	57,175	66,456	81,642	87,934
Operating Profit	4,113	4,416	10,294	13,357	14,560	16,560
Interest	798	964	1,284	1,329	1,706	3,509
Profit Before Tax	3,315	3,452	9,010	12,028	12,854	13,051
Taxation	1,557	1,724	4,449	5,452	5,746	6,134
Profit After Tax	1,758	1,728	4,561	6,576	7,108	6,917
Gross Assets Employed	31,123	38,555	48,475	57,730	70,152	104,112
Capital Employed	20,168	23,973	27,023	30,377	36,503	67,009
Shareholders' Funds	10,229	12,397	14,058	16,871	18,940	21,363
	%	%	%	%	%	%
Operating Profit as % of Sales	9.0	8.7	18.0	20.1	17.8	18.8
Operating Profit as % of Capital Employed	20.4	18.4	38.1	44.0	39.9	24.7
Return on Gross Assets	10.7	9.0	18.6	20.8	18.3	12.5
Return on Shareholders' Funds	30.0	20.3	47.6	71.3	67.9	61.1
Shareholders' Funds per Share	c 179.0	c 217.0	c 123.0	c 147.6	c 165.7	c 187.0
Earnings Per Share	11.8	11.1	29.7	42.8	42.2	40.2
Dividend Cover (Times)	1.7	1.4	1.9	2.4	2.2	2.1