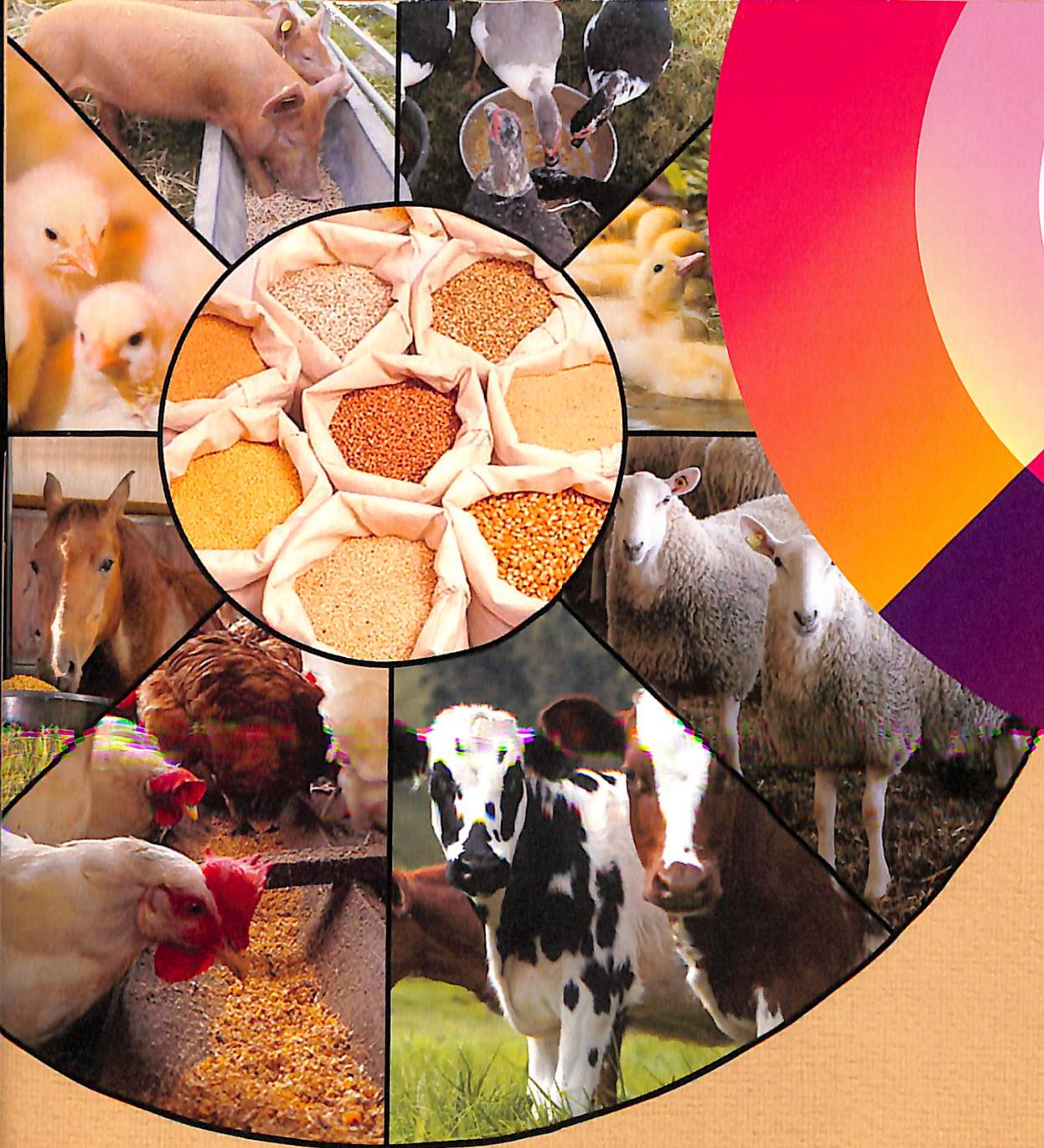

Guyana Stockfeeds Inc.

2023 Annual Report

Contents

Corporate Information

REGISTERED OFFICE
Farm, East Bank Demerara, Guyana.

REGISTRAR AND TRANSFER OFFICE
Trust Company Guyana (Ltd),
11 Lamaha Street,
Georgetown.
Tel: 227-2659

COMPANY SECRETARY
Priya Nauth-Badal

LEGAL ADVISORS
Hughes, Fields & Stoby
62 Hadfield & Cross Streets,
Werk-en-Rust, Georgetown, Guyana.

BANKERS
Bank of Nova Scotia
104 Carmichael Street,
Georgetown, Guyana.

Guyana Bank for Trade and Industry
47 Water Street, Lacytown,
Georgetown, Guyana.

AUDITORS
Nizam Ali & Company
215 'C' Camp Street,
Georgetown, Guyana.

Notice of Annual General Meeting

The 63rd Annual General Meeting of Guyana Stockfeeds, Inc. will be held at the Pegasus Hotel, Kingston, Georgetown, on Friday June 28th, 2024, at 10am.

AGENDA:

1. To receive and consider the report of the Directors and the Audited Accounts for the year ended 31st December 2023.
2. To elect Directors.
3. To confirm the remuneration of the Directors.
4. To appoint Auditors and authorize the Directors to fix their remunerations.
5. To transact any other business of an Annual General Meeting.

Only Shareholders or their duly appointed Proxies may attend.

Please bring this notice to gain entry to the meeting.

Any member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him/her.

A person exercising a Proxy need not be a member of the Company. The Form of Proxy must be deposited with the Company Secretary at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting. A Proxy Form is attached for use.

Any corporation which is a Member of the Company may, by resolution of its Directors or other governing body, authorize such person as it thinks fit to act as its representative at the meeting.

BY ORDER OF THE BOARD

Priya Nauth - Badal
Company Secretary
Registered Office
Farm, East Bank Demerara

June 8th, 2024

Chairman's Report

I am pleased to report a record year for Guyana Stockfeeds Inc. in 2023. There were lower input prices, as a direct result of our successful hedging operations, which resulted in higher margins. In addition, we expanded our sales efforts resulting in higher sales.

Overall sales increased by 10.8% to $10.8B from $9.7B. Sales of Feed were 17% higher while day old chicks and rice were marginally lower.

Profits after tax realized $1.07B compared with $322M in 2022. Earnings per share increased to $13.37 from $4.01.

Dividend

The Directors take pleasure in recommending a dividend of $4 per share for the year 2023.

Poultry Processing Plant

Capital works on our Poultry Processing Plant continues and is scheduled for November 2024 completion.

Conclusion

I take this opportunity on behalf of the Board of Directors to thank our Management and Staff for their hard work and diligence, sometimes above and beyond the call of duty. Let me also thank you, my fellow shareholders for your confidence, understanding, and support.

....

Robert J. Badal
Chairman.

Board of Directors

Robert Badal FCCA, CA, MBA

Nigel Cumberbatch MSc

Robert Badal Jr.

Priya Nauth-Badal BA

Management Team

Robert Badal
Chief Executive Officer

Robert Badal Jnr.
Finance Manager

Reshan Singh
Feed Mill Manager

Surujnauth Haripersaud
Management Accountant

Gairy Rupnarine
Rice Mill Manager

Jonathan Persaud
Hatchery Manager

Brandon Badal
Administration

Anita Sookdeo
Administration

Report of the Directors

The Directors take full pleasure in presenting this Report and the Audited Financial Statements for the year ended December 31, 2023.

Principal Activities

The company manufactures and distributes livestock feeds and related products including day-old broiler chicks to both the local and export markets. It also produces parboiled rice for the export market under its "Angel" brand.

Financial Results

Results for the year are shown on pages 16 to 46 in the financial statements. The results reflect the operations and financial position of the Company.

Highlights are set out in the table below:

	2023	2022
	$M	$M
Sales	10,810	9,752
Profit before Tax	1,484	437
Taxation	411	115
Profit after Tax	1,073	322
Earnings per share ($)	13.37	4.01

Dividend

The directors take pleasure in recommending a dividend of $4 per share for the year 2023.

Share Capital

The authorized Share Capital of the Company remains at $100,000,000 shares of no-par value, of which 80,285,557 were issued and are fully paid.

Directors

At the 64th Annual General Meeting of the Company, the following persons were appointed Directors:

Robert J. Badal
Robert Badal Jnr.
Nigel Cumberbatch
Priya Nauth-Badal

Report of the Directors - continued

In accordance with Article 122 of the Company's Articles of Incorporation, all Directors retire and being eligible, offer themselves for re-election until the following Annual General Meeting.

Auditors:

The Auditors, Nizam Ali & Company, has indicated their willingness to continue as the Company's auditors. A resolution proposing their re-appointment and authorizing the Directors to fix their remuneration will be submitted to the Annual General Meeting.

Directors' Interest

The interest of the Directors holding office as at December 31, 2023 in the ordinary shares of the company were as follows:

	Beneficial Interest	Associated Interest
Robert Badal	-	38,214,879
Nigel Cumberbatch	5,000	Nil
Robert Badal (Jnr.)	12,000,000	Nil
Priya Nauth-Badal	10,000,000	Nil

Service Contracts

There were no service contracts between the Company and any of its Directors or any Director proposed for election at the forthcoming Annual General Meeting.

There are no contracts in which any of the Directors has had any material interest.

By Order of the Board

....

Priya Nauth-Badal,
Company Secretary

Guyana Stockfeeds Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Guyana Stockfeeds Inc. (the Company), which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income, changes in equity and of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information;

- Ensuring that the Company keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgment in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Guyana. Where IFRS presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

....
Chief Executive Officer / Director
Date: May 20, 2024

....
Finance Manager
Date: May 20, 2024

....
Corporate Secretary
Date: May 20, 2024

Independent Auditors' Report

To the Shareholders of Guyana Stockfeeds Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guyana Stockfeeds Inc., which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
The estimation of the quantity of closing stock of raw material is subject to certain assumptions regarding compaction and the capacity of storage facilities.	Two methodologies were employed to confirm the accuracy of the quantity of raw material at year end as follows: (i) A roll forward calculation was done using opening stock, adding purchases and subtracting usage.

Independent Auditors' Report - continued

Key Audit Matter	How our audit addressed the key audit matter
	(ii) Subsequent to year end and prior to any further receipt of stock, the level of raw material stock was reduced to a negligible quantity. Actual consumption of raw material was computed between the statement of financial position date and immediately before the first receipt of stock subsequent to year end. Both methodologies confirmed the accuracy of the quantity of raw material at year end.
The carrying amount of the company's property, plant and equipment (PPE) amounted to $1,413,370,172. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgment in determining its valuation. Further, an annual impairment review of PPE was done which involved significant management judgment.	Our procedures included testing of design, existence and operating effectiveness of internal control procedures as well as test of detail to ensure completeness and accuracy of PPE through the following: (i) An evaluation of the assumptions made by management in determination of the residual values and useful lives to ensure that these are consistent with accounting and industry standards. (ii) Assessment of whether indicators of impairment existed at December 31, 2023, based on our knowledge of the business and industry and the methodology used by management to carry out impairment review. (iii) Recalculation of depreciation charges for selected assets in line with the company's accounting policy. (iv) Physical verification of selected assets acquired in current and prior years. Based on our procedures, we found management's assessment of the valuation and impairment of PPE to be appropriate.

Independent Auditors' Report - continued

Going Concern

The company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the company's financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the company's 2023 annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

Independent Auditors' Report - continued

are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report - continued

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner responsible for the audit resulting in this independent auditors' report is Mr. Dave Singh, FCCA.

Nizam Ali & Company

Chartered Accountants
Georgetown, Guyana

May 20, 2024

Statement of Financial Position

As at December 31, 2023
With comparative figures for 2022 (Expressed in Guyana Dollars)

	Notes	2023	2022
		$	$
Assets			
Non- current assets			
Property, plant and equipment	10 (a)	**1,413,370,172**	702,958,443
		1,413,370,172	702,958,443
Current assets			
Inventories	8	**426,978,704**	576,594,386
Trade and other receivables	11	**275,516,207**	172,120,388
Cash at bank and on hand		**2,130,532,837**	1,198,388,792
Tax recoverable		**64,555,577**	75,118,829
Total current assets		**2,897,583,325**	2,022,222,395
Total assets		**4,310,953,497**	2,725,180,838
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	**470,593,154**	470,593,154
Retained earnings		**2,416,141,748**	1,500,945,374
Capital reserve	7	**91,903,899**	94,205,403
Total equity		**2,978,638,801**	2,065,743,931
Non- current liabilities			
Deferred tax	4.2	**159,669,794**	61,177,173
Pension liability	13	**36,798,000**	23,072,819
Total non- current liabilities		**196,467,794**	84,249,992
Current liabilities			
Trade and other payables	9	**883,452,741**	520,112,494
Provision for taxation		**252,394,161**	55,074,421
Total current liabilities		**1,135,846,902**	575,186,915
Total shareholders' equity and liabilities		**4,310,953,497**	2,725,180,838

.... Director .... Director

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

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2023
With comparative figures for 2022 (Expressed in Guyana Dollars)

	Notes	2023	2022
		$	$
Sales		**10,810,045,675**	9,752,205,044
Discount allowed		**(59,433,025)**	(56,505,750)
		10,750,612,650	9,695,699,294
Raw materials and consumables		**8,716,597,232**	8,787,205,154
Employment benefits	14	**353,175,606**	312,240,218
Depreciation		**17,026,705**	18,791,267
Professional fees		**3,950,000**	4,044,200
Property tax		**21,984,645**	13,736,028
Net credit impairment	11	**6,518,653**	4,027,945
Other expenses	19	**161,339,565**	131,745,830
		9,280,592,406	9,271,790,642
Net operating income		**1,470,020,244**	423,908,652
Other income	20	**14,448,797**	12,937,038
Net income before taxation	15	**1,484,469,041**	436,845,690
Taxation	4.1	**(411,003,057)**	(114,758,152)
Profit for the year		**1,073,465,984**	322,087,538
Earnings per share in dollars	5	**13.37**	4.01

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

Statement of Changes in Equity

For the year ended December 31, 2023
With comparative figures for 2022 (Expressed in Guyana Dollars)

	Share capital	Retained earnings	Capital reserve	Total
	$	$	$	$
Balance at January 1, 2022	470,593,154	1,337,127,446	96,506,907	1,904,227,507
Profit for the year	-	322,087,538	-	322,087,538
Dividend (See note 6)	-	(160,571,114)	-	(160,571,114)
Amortised portion of excess of depreciation on revalued amount over depreciated cost as at end of year	-	2,301,504	(2,301,504)	-
Balance at December 31, 2022	470,593,154	1,500,945,374	94,205,403	2,065,743,931
Profit for the year	-	1,073,465,984	-	1,073,465,984
Dividend (See note 6)	-	(160,571,114)	-	(160,571,114)
Amortised portion of excess of depreciation on revalued amount over depreciated cost as at end of year	-	2,301,504	(2,301,504)	-
Balance at December 31, 2023	470,593,154	2,416,141,748	91,903,899	2,978,638,801

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

Statement of Cash Flows

For the year ended December 31, 2023
With comparative figures for 2022 (Expressed in Guyana Dollars)

	2023	2022
	$	$
Cash flows from operating activities		
Profit before tax	**1,484,469,041**	436,845,690
Adjustments for:		
Depreciation	**17,026,705**	18,791,267
Operating income before working capital changes	**1,501,495,746**	455,636,957
Change in inventories	**149,615,682**	52,755,679
Change in trade and other receivables	**(103,395,819)**	53,053,537
Change in trade and other payables	**363,340,247**	(49,058,770)
Change in pension liability	**13,725,181**	-
Cash from operations	**1,924,781,037**	512,387,403
Taxes paid	**(104,627,444)**	(158,772,293)
Net cash from operating activities	**1,820,153,593**	353,615,110
Cash flows from investing activities		
Purchase of property, plant and equipment	**(727,438,434)**	(22,578,356)
Net cash used in investing activities	**(727,438,434)**	(22,578,356)
Cash flows from financing activities		
Dividends	**(160,571,114)**	(160,571,114)
Net cash used in financing activities	**(160,571,114)**	(160,571,114)
Net increase in cash and cash equivalents	**932,144,045**	170,465,640
Cash and cash equivalents, beginning of year	**1,198,388,792**	1,027,923,152
Cash and cash equivalents, end of year	**2,130,532,837**	1,198,388,792
Represented by:		
Cash at bank and on hand	**2,130,532,837**	1,198,388,792

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

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

1. Incorporation and principal activity

Guyana Stockfeeds Inc. (the company) was incorporated on October 14, 1960 and obtained Certificate of Continuance on March 13, 1997 in accordance with the Companies Act 1991. Its principal activity is the manufacture and sale of livestock feeds and parboiled rice and sale of baby chicks.

The company, by a special resolution passed on September 4, 1998, changed its name from Guyana Stockfeeds Limited to Guyana Stockfeeds Inc.

2. Significant accounting policies

(a) ***(i) Basis of preparation and statement of compliance***

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and are presented in Guyana dollars, which is the functional currency. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving critical accounting estimates or a higher degree of judgment are identified in note 3.

The financial statements were authorised for issue by the Board of Directors on May 20, 2024.

(ii) New standards and interpretations adopted

The following new and amended pronouncements which became effective on January 1, 2023 were adopted by the company. The adoption of these pronouncements did not have any impact on the financial statements.

IFRS 17 - Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

Amendments

Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)

Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4:

(i) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach.

(ii) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments clarify that the initial recognition exemption does not apply to transactions

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

(iii) New Standards, amendments and interpretations not yet adopted

The following new and amended pronouncements which are not yet effective have not been early adopted by the company. The company is assessing the impact, if any, these pronouncements will have on future reporting.

	Effective date
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	01-Jan-24
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position,debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01-Jan-24
The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accountedfor as a sale.	
Non-current Liabilities with Covenants (Amendments to IAS 1)	01-Jan-24
The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) 01-Jan-24

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

(b) Revenue recognition

Revenue is recognised at a point in time or over time in the amount of the price, before tax on sales, expected to be received by the company for goods and services supplied as a result of its ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers.

(c) Property, plant and equipment

Property, plant and equipment are stated generally at historical cost, except for those measured at fair value, when they are tested for impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognised. All repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

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

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

Buildings	-	50 years
Leashold land	-	99 years
Plant and machinery	-	varying lives up to 10 years
Equipment	-	varying lives up to 20 years
Motor vehicle	-	4 years

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

(d) Inventories

Inventories are valued using the lower of cost or net realisable value. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Guyana Stockfeeds Inc. analyses its inventory balances to determine if, as a result of internal events, such as physical damage or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realisable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognised against the results of the period. Advances to suppliers of inventory are presented as part of other current assets.

(e) Dividend on ordinary shares

Dividend on ordinary shares are recognised in equity in the period in which they are declared.

(f) Foreign currency translation

The financial statements are presented in Guyana dollars which is the functional and presentation currency of the company.

Transactions denominated in foreign currencies are recorded in the functional currency at the exchange rates prevailing on the dates of their execution. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the statement of financial position date, and the resulting foreign exchange fluctuations are recognised in earnings.

The most significant closing exchange rates and the approximate average exchange rates for statement of financial position accounts and statement of profit or loss accounts as of December 31, 2023 and 2022, were as follows (expressed in the quantity of Guyana dollars equivalent to one unit of the currency):

Currency	2023	2022
United States Dollar	215.50	215

(g) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

(g) Taxation, continued

(i) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the statement of financial position date.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liability are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of the deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable, sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

(h) Provisions

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

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

(i) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and short term highly liquid investments that are both readily convertible into known amounts of cash and so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

(j) Trade accounts receivable

The company applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2023 or January 1, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the company, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Individual receivables which were known to be uncollectible were written off by reducing the carying amount directly.

The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been expected. For these receivables the estimated impairment losses were recoginsed in a separate provision for impairment. The company considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 30 days overdue). Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

(k) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

(k) Share capital continued

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(l) Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade accounts receivable, other accounts receivable, trade payables and other current liabilities.

Initial recognition and measurement

Trade accounts receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement of financial instruments

Financial assets are classified under three principal classification categories: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Other financial obligations are measured at amortised cost using the effective interest rate method. Interest accrued on financial instruments are recognised within trade and other payables.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the company neither transfers nor retains

Notes to Financial Statements
December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

(l) Financial instruments, continued

Derecognition, continued

substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or when it expires. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss and other comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

For the purpose of the ECL model of trade accounts receivable, the company segments its accounts receivable in a matrix by number of days past due and determines, for each segment, an average rate of ECL, considering actual credit loss experience over the last 60 months and expectations of future delinquency, that is applied to the balance of the accounts receivable. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 360 days or more past due. Customers with special credit arrangements are assessed separately for a specific provision.

Fair value measurements

Under IFRS, fair value is based on the "exit price" which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, considering the counterparty's credit risk in the valuation. The concept of exit price is premised on the existence of a market and market participants for the specific asset or liability. When there are no market and/or market participants willing to make a market, IFRS establishes a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

2. Significant accounting policies, continued

(l) Financial instruments, continued

Fair value measurements, continued

significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 - represent quoted prices (unadjusted) in active markets for identical assets or liabilities that Guyana Stockfeeds Inc. has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.

- Level 2 - are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, and are used mainly to determine the fair value of securities, investments or loans that are not actively traded. Level 2 inputs included equity prices, certain interest rates and yield curves, implied volatility and credit spreads, among others, as well as inputs extrapolated from other observable inputs. In the absence of Level 1 inputs, Guyana Stockfeeds Inc. determined fair values by iteration of the applicable Level 2 inputs, the number of securities and/or the other relevant terms of the contract, as applicable.

- Level 3 - inputs are unobservable inputs for the asset or liability. Guyana Stockfeeds Inc. used unobservable inputs to determine fair values, to the extent there are no Level 1 or Level 2 inputs, in valuation models including risk assumptions consistent with what market participants would use to arrive at fair value.

(m) Trade payables

Trade payables are recognised initially at fair value and subsequently at amortised cost.

(n) Operating segment

A business segment is a component of an entity that is engaged in providing products or service that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a group of assets and operations engaged in providing similar products and services that are subject to risks and returns that are different from those of other geographical segments.

(o) Contingencies and commitments

Obligations or losses related to contingencies are recognised as liabilities in the statement

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

3. Critical accounting estimates and judgments, continued

of financial position only when present obligations exist resulting from past events that are probable to result in an outflow of resources and the amount can be measured reliably. Otherwise, a qualitative disclosure is included in the notes to the financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognised in the financial statements on an incurred or accrued basis, after taking into consideration the substance of the agreements. Relevant commitments are disclosed in the notes to the financial statements. The company recognises contingent revenues, income or assets only when their realisation is virtually certain.

(p) Comparatives

Certain comparatives were reclassified to conform with current year presentation.

3. Critical accounting estimates and judgments

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences.
Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(i) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is determined using an approach that includes the use of market observable data for similar type CGUs. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Notes to Financial Statements
December 31, 2023
(Expressed in Guyana Dollars)

3. Critical accounting estimates and judgments, continued

Critical accounting judgments, continued

(ii) Useful life of property, plant and equipment

Property, plant and equipment is amortised over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment.

Critical accounting judgments

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognised in the financial statements.

(i) Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes onlybecomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

(ii) Provision for expected credit losses (ECL)

Management exercises judgement in determining the adequacy of provisions established for accounts receivable balances for which collections are considered doubtful. Judgement is used in the assessment of the extent of the recoverability of certain balances. Actual outcomes may be materially different from the provision established by management.

(iii) Inventory

The estimation of the quantity of closing stock of raw material is subject to certain assumptions regarding compaction and the capacity of storage facilities. Management periodically reviews these assumptions to determine appropriateness.

(iv) Defined benefit plans

The cost of defined benefit plans and the post retirement benefits are determined using actuarial valuations. The actuarial valuation involves making judgments and assumptions in determining discount rates, expected rate of return on assets, future salary increases and future pension increases. Due to the long term nature of the plan, such assumptions are subject to significant uncertainty.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

4. Taxation

4.1 Taxation for the period

The amounts of taxation expense in the income statement for 2023 and 2022 were summarised as follows:

		2023	2023
		$	$
Corporation tax	- current year	**312,510,436**	111,428,902
	- deferred	**98,492,621**	3,329,250
		411,003,057	114,758,152

4.2 Deferred taxation

The movement in the deferred tax liability (asset) is as follows:

	2023		
	Plant and equipment	Pension liability	Total
	$	$	$
Opening balance	**66,945,379**	**(5,768,205)**	**61,177,174**
Recognised in:			
Profit or loss	**101,923,916**	**(3,431,295)**	**98,492,621**
Closing balance	**168,869,295**	**(9,199,500)**	**159,669,795**

	2022		
	Plant and equipment	Pension liability	Total
	$	$	$
Opening balance	63,616,129	(5,768,205)	57,847,924
Recognised in:			
Profit or loss	3,329,250	-	3,329,250
Closing balance	66,945,379	(5,768,205)	61,177,174

4.3 Reconciliation of effective tax rate

For the years ended December 31, 2023 and 2022, the effective taxation rates were as follows:

	2023	2023
	$	$
Profit	1,484,469,041	436,845,690
Taxation	312,510,436	111,428,902
Effective Taxation rate[1]	21.1	25.5

[1] The average effective tax rate equals the net amount of taxation expense divided by income before taxation, as these line items are reported in the statement of profit or loss and other comprehensive income.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

4. Taxation - continued

4.3 *Reconciliation of effective tax rate - continued*

	2023		2022	
	%	$	%	$
Statutory tax rate	**25.0**	**371,117,260**	25.0	109,211,422
Expenses not deductible for tax purposes	**0.7**	**10,557,121**	1.1	4,746,176
Accounting depreciation	**0.3**	**4,256,676**	1.1	4,697,817
Tax depreciation	**(4.9)**	**(73,420,621)**	(1.8)	(8,027,066)
Others	**-**	**-**	0.18	800,553
Effective tax rate	**21.1**	**312,510,436**	25.5	111,428,902

5. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of $1,436,336,877 (2022: $322,087,538) and the number of ordinary shares outstanding during the period of 80,285,557 (2022: 80,285,557) as follows:

	2023	2022
	$	$
Net profit attributable to ordinary shareholders		
Profit for the year	**1,073,465,984**	322,087,538
Number of ordinary shares		
On issue at December 31	**80,285,557**	80,285,557
Earnings per share	**13.37**	4.01

6. Dividend payable

	2023	2022
Interim dividend for 2023 Nil (2022 - Nil)	-	-
Final dividend 2022 $2.00 per share (2021 - $2.00)	**160,571,114**	160,571,114
	160,571,114	160,571,114

The financial statements do not reflect a final dividend of $4.00 per share proposed by the Directors. This amount will be accounted for as an appropriation of retained earnings in the subsequent year.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

7. Capital reserve

Capital reserve represents surplus on revaluation of land and buildings amounting to $158,031,513. This reserve is only distributable upon realisation. Realisation occurs upon the disposal or amortisation of the related assets.

The portion of the revaluation surplus relating to buildings is amortised annually based on the life of the related asset. The annual amortised portion of the revaluation surplus is transferred to distributable reserves. The cumulative realised portion of the revaluation reserve at December 31, 2023 amounted to $66,127,614 (2022 - $63,826,110).

8. Inventories

	2023 $	2022
Finished goods	**22,693,893**	10,051,694
Raw and packaging materials	**390,199,661**	523,583,542
Goods in transit	**14,085,150**	42,959,150
	426,978,704	576,594,386

9. Trade and other payables

	2023 $	2022 $
Trade payables	**627,015,041**	157,061,305
Property tax	**24,217,682**	15,969,065
Dividend payable	**154,632,868**	147,978,134
Other payables and accruals	**77,587,150**	199,103,990
	883,452,741	520,112,494

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

10. Property, plant and equipment

2023

		Land and building $	Plant, machinery and equipment $	Motor vehicle $	WIP $	Leasehold land $	Total $
(a)	**Cost/Valuation**						
	At January 1, 2023	460,007,051	2,460,667,072	89,272,810	284,487,182	43,000,000	3,337,434,115
	Additions	-	-	-	727,438,434	-	727,438,434
	At December 31, 2023	460,007,051	2,460,667,072	89,272,810	1,011,925,616	43,000,000	4,064,872,549
	Accumulated depreciation						
	At January 1, 2023	139,505,018	2,406,981,819	87,988,835	-	-	2,634,475,672
	Charge for the year	6,633,497	9,645,708	747,500	-	-	17,026,705
	At December 31, 2023	146,138,515	2,416,627,527	88,736,335	-	-	2,651,502,377
	Net book values						
	At December 31, 2023	313,868,536	44,039,545	536,475	1,011,925,616	43,000,000	1,413,370,172

2022

	Land and building $	Plant, machinery and equipment $	Motor vehicle $	WIP $	Leasehold land $	Total $
Cost/Valuation						
At January 1, 2022	460,007,051	2,439,495,197	89,272,810	283,080,701	43,000,000	3,314,855,759
Additions	-	2,220,915	-	20,357,441	-	22,578,356
Transfer	-	18,950,960	-	(18,950,960)	-	-
					-	
At December 31, 2022	460,007,051	2,460,667,072	89,272,810	284,487,182	43,000,000	3,337,434,115
Accumulated depreciation						
At January 1, 2022	132,871,521	2,395,571,549	87,241,335	-	-	2,615,684,405
Charge for the year	6,633,497	11,410,270	747,500	-	-	18,791,267
At December 31, 2022	139,505,018	2,406,981,819	87,988,835	-	-	2,634,475,672
Net book values						
At December 31, 2022	320,502,033	53,685,253	1,283,975	284,487,182	43,000,000	702,958,443

(b) Included in plant, machinery and equipment is a wharf costing $139,924,401 (net book value $1) which was constructed on land which is not owned by the company but on which the company has a shared interest.

(c) Leasehold land represents land situated at Sublot 'D' Farm East Bank Demerara currently being leased for a period of ninety-nine (99) years. The lease payment comprise of a one off payment of $43,000,000, there is no annual lease obligation.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

11. Trade and other receivables

	2023	2022
	$	$
Trade receivables	258,941,749	152,778,080
Less provision for doubtful debts *(see note 18 (a))*	(41,356,285)	(34,837,632)
	217,585,464	117,940,448
Other receivables and prepayments	57,930,743	54,179,940
	275,516,207	172,120,388

The movement in the provision for doubtful debts during the year was as follows:

	2023	2022
	$	$
Balance, beginning of year	34,837,632	30,809,709
Additional provisions	6,518,653	4,027,923
Balance, end of year	41,356,285	34,837,632

12. Share capital

	2023	2022
	$	$
Authorised 100,000,000 (2021 - 100,000,000) Ordinary shares of no par value		
Issued and fully paid shares 80,285,557 (2022 - 80,285,557) ordinary shares stated value	470,593,154	470,593,154

13. Pension scheme

The company participates in a contributory defined benefit scheme. The contributions are held in trustee-administered funds, which are separate from the company's finances.

The last statutory valuation of the scheme was performed as at December 31, 2022. Under the Actuarial method employed, the valuation revealed that there was an Actuarial liability of $36,798,000 as follows:

	2023	2022
	$	$
Fair value of assets as per actuarial valuation	110,532,000	73,709,181
Present value of defined benefit obligation	(147,330,000)	(96,782,000)
Pension liability	(36,798,000)	(23,072,819)

The amounts recognised in these financial statements are as follows:

(a) **Included in the statement of financial position:**

	2023	2022
	$	$
Pension liability	36,798,000	23,072,819

Notes to Financial Statements

December 31, 2023
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13. Pension scheme, continued

(b) Included in the statement of profit or loss:

	2023	2022
	$	$
Remeasurement loss	13,725,181	-
Contribution during the year	8,709,402	9,026,876
	22,434,583	9,026,876

The company has not undertaken an IAS 19 - Employee benefit, valuation of the pension scheme at the end of 2023. Management is currently engaged in discussions with the trustees of the scheme to have an IAS 19 valuation of the scheme done. On the basis of the outcome of the last statutory valuation done as of December 31, 2022, management does not believe that the outcome of this valuation will result in material adjustment to the financial statements.

(c) Liability profile

The defined benefit obligation was allocated between the scheme's members as follows:

- Active members	94%
- Pensioners	6%

(d) Summary of main assumptions

Discount rate	5%
Expenses	1.2%
Salary increases	4%

Assumptions regarding mortality is nil for pre-retirement and GAM94 for post retirement.

(e) Sensitivity analysis

The calculation of defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligations as at December 31, 2022 would have changed as a result of a change in the assumptions used.

	1% pa higher
Discount rate	25,240,000
Future salary increases	(15,250,000)

(f) Investment allocation and returns

The plan is currently invested in Deposit Administration Policy with Hand in Hand Mutual Life Assurance Company Limited. The average rate of return earned by the fund in the past three years was 4.5%.

Notes to Financial Statements

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14. Employment benefits

	2022	2021
	$	$
Wages and salaries	**253,279,036**	241,891,992
Staff uniform	**2,617,090**	3,901,756
Subsistence	**13,375,984**	11,428,331
Travelling	**3,995,200**	1,612,681
Leave passage	**14,207,000**	8,525,000
NIS employer's contribution	**19,196,754**	18,490,460
Contribution to pension scheme	**22,434,583**	9,026,876
Contribution to medical scheme	**1,295,422**	1,543,106
Canteen and general expense	**22,774,537**	15,820,016
	353,175,606	312,240,218

Employees

The number of employees in the company as at December 31, 2023 amounted to 149 (2022 - 134).

15. Net income before taxation

	2023	2022
	$	$
Net income before taxation	**1,484,469,041**	436,845,690
After charging the following:		
Depreciation	**17,026,705**	18,791,267
Auditors' remuneration	**3,950,000**	3,670,000
Directors' emoluments (note 16)	**1,020,000**	1,020,000

16. Directors' emoluments

Emoluments including expenses paid to directors for services as directors

	2023	2022
	$	$
R. Badal	**300,000**	300,000
R. Badal (Jnr)	**240,000**	240,000
P. Nauth-Badal	**240,000**	240,000
N. Cumberbatch	**240,000**	240,000
	1,020,000	1,020,000

17. Related parties

A party is related to the company, if:

(i) directly, or indirectly through one or more intermediaries, the party:

a) is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);

Notes to Financial Statements

December 31, 2023
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17. Related parties, continued

b) has a direct or indirect interest in the company that gives it significant influence; or
c) has joint control over the company;

(ii) the party is an associate of the company;
(iii) the party is a joint venture in which the company is a venturer;
(iv) the party is a member of the key management personnel of the company or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party has a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company and its affiliates.

Related party transactions include the provision of services and payment of expenses by and on behalf of Guyana Stockfeeds Limited and Pegasus Hotels of Guyana Limited. The company conducted transactions during the year with affiliated companies and recorded the following outstanding balance at December 31, 2023 and 2022.

Transactions and balances with related parties are as follows:

	2023	2022
	$	$
Guyana Stockfeeds Ltd.		
Transactions (note a)		
Expenses paid on behalf of Guyana Stockfeeds Inc.		
Cost incurred	**53,875,000**	53,750,000
Reimbursement	**(53,875,000)**	(53,750,000)
Balance	**-**	-

(a) Guyana Stockfeeds Ltd. (GSL), a company incorporated in Trinidad and Tobago, arranges for export markets and merchandising services. Cost incurred represents cost of rental of office space, staff cost, sales promotion, transport and travel cost and administrative expense.

Key management personnel

Remuneration paid to key management personnel was as follows:

	2023	2022
	$	$
Short-term employee benefits	**27,315,289**	29,917,604

The Chief Executive Officer of the company controls, directly and indirectly, 94.93% of the voting shares of the company.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

18. Financial risk management

(i) Introduction and overview

Enterprise risks may arise from any of the following situations: i) the potential change in the value of assets owned or reasonably anticipated to be owned, ii) the potential change in value of liabilities incurred or reasonably anticipated to be incurred, iii) the potential change in value of services provided, purchase or reasonably anticipated to be provided or purchased in the ordinary course of business, iv) the potential change in the value of assets, services, inputs, products or commodities owned, produced, manufactured, processed, merchandised, leased or sell or reasonably anticipated to be owned, produced, manufactured, processed, merchandising, leasing or selling in the ordinary course of business, or v) any potential change in the value arising from interest rate or foreign exchange rate exposures arising from current or anticipated assets or liabilities.

The Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management in compliance with the policies approved by the Board of Directors. The Company's overall risk management measures are focused on minimising the potential adverse effects on its financial performance of changes in financial markets.

The main risk categories are mentioned below:

(a) Credit risk

Credit risk is the risk of financial loss faced by the company if a customer or counterparty to a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2023 and 2022, the maximum exposure to credit risk is represented by the balance of financial assets. Management has developed policies for the authorisation of credit to customers. Exposure to credit risk is monitored constantly according to the payment behaviour of debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behaviour regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the company's management requires guarantees from its customers and financial counterparties with regard to financial assets.

The company's management has established a policy of low risk tolerance which analyses the creditworthiness of each new customer individually before offering the general conditions of payment terms and delivery. The review includes external ratings, when references are available, and in some cases bank references. Thresholds of purchase limits are established for each customer, which represent the maximum purchase amounts that require different levels of approval. Customers that do not meet the levels of solvency requirements imposed by the company can only carry out transactions by paying cash in advance. As of December 31, 2023, considering the company's best estimate of potential expected losses based on the ECL model developed by the company, the allowance for ECL was $41,356,285.

The company estimated ECL on trade receivables using a provision matrix based on historical credit experience as well as the credit risk and the expected developments

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

18. Financial risk management, continued

(i) Introduction and overview, continued

(a) Credit risk, continued

for each group of customers.

Credit risks from balances with banks and financial institutions are managed in accordance with policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Credit risks from other financial assets have been assessed as being very low. Loans to employees can be recovered from employee benefits not yet paid.

Trade receivables are categorised into three stages as follows:

Stage 1 - A financial instrument that is not credit impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the company.

Stage 2 - If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet to be credit impaired.

Stage 3 - If the financial instrument is credit impaired, the financial instrument moves to 'stage 3'.

The following table presents trade receivables according to these stages:

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Gross trade receivables	**167,680,171**	**50,913,985**	**40,347,593**	**258,941,749**
Provision	**(696,737)**	**(311,955)**	**(40,347,593)**	**(41,356,285)**
Net trade receivables	**166,983,434**	**50,602,030**	**-**	**217,585,464**

	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Gross trade receivables	63,321,165	55,112,497	34,344,418	152,778,080
Provision	(230,374)	(262,840)	(34,344,418)	(34,837,632)
Net trade receivables	63,090,791	54,849,657	-	117,940,448

Notes to Financial Statements

December 31, 2023
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18. Financial risk management, continued

(b) Liquidity risk

Liquidity risk is the risk that the company will not have sufficient funds available to meet its obligations. In addition to cash flows provided by its operating activities, in order to meet the company's overall liquidity needs for operations, servicing debt and funding capital expenditures, the company relies on cost-cutting and operating improvements to optimise capacity utilisation and maximise profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. The maturities of the company's contractual obligations are detailed in the table below:

	Maturing		
	December 31, 2023		
	Within one year		
	On demand	Due in 3 months	Total
	$	$	$
Assets			
Trade receivables	**217,585,464**	-	**217,585,464**
Other receivables	**57,930,743**	-	**57,930,743**
Cash and cash equivalents	**2,130,532,837**	-	**2,130,532,837**
Tax recoverable	**64,555,577**	-	**64,555,577**
	2,470,604,621	-	**2,470,604,621**
Liabilities			
Trade and other payables	**883,452,741**	-	**883,452,741**
Taxation	**252,394,161**	-	**252,394,161**
	1,135,846,902	-	**1,135,846,902**
Liquidity gap	**1,334,757,719**	-	**1,334,757,719**

	December 31, 2022		
	Within one year		
	On demand	Due in 3 months	Total
	$	$	$
Assets			
Trade receivables	117,940,448	-	117,940,448
Other receivables	54,179,940	-	54,179,940
Cash and cash equivalents	1,198,388,792	-	1,198,388,792
Tax recoverable	75,118,829	-	75,118,829
	1,445,628,009	-	1,445,628,009
Liabilities			
Trade and other payables	520,112,494	-	520,112,494
Taxation	55,074,421		55,074,421
	575,186,915	-	575,186,915
Liquidity gap	870,441,094		870,441,094

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

18. Financial risk management, continued

(c) Capital risk management

The company's objective when managing its capital (ordinary shares) is to safeguard its ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders or issue new shares.

(d) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases in currencies other than the company's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. As such, there is no material risk relating to foreign currency fluctuations.

The aggregate value of financial assets and liabilities by denominated currency are as follows:

	2023	2022
	$	$
Monetary assets	**407,632,904**	811,212,200
Monetary liabilities	**(491,104,212)**	(39,373,550)
Net monetary assets (liabilities)	**(83,471,308)**	771,838,650
Out of which:		
United States dollars	**(83,471,308)**	771,838,650

At December 31, 2023, if the Guyana Dollar had weakened/strengthened by 2% against the various currencies with all other variables held constant, pre-tax profit for the year would have been $1,669,426 (2022 - $15,436,773) higher/lower.

19. Other expense

	2023	2022
	$	$
Commission	**5,341,238**	11,687,765
Insurance	**6,550,831**	8,672,566
Marketing expenses	**53,875,000**	53,750,000
Cleaning and sanitation	**41,379,688**	4,364,650
Bank charges	**13,091,572**	12,211,268
Other	**41,101,236**	41,059,581
	161,339,565	131,745,830

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

20. Other income

	2023	2022
	$	$
Other income	14,448,797	12,937,038
	14,448,797	12,937,038

21. Contingencies

		2023	2022
		$	$
(a)	Bond in favour of the State of Guyana	200,000	200,000

(b) By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

The company is subject to various litigation actions, the outcome of which may require payments to the plaintiffs. The company's legal advisors assess the potential outcome of the litigation and the company establishes provisions for future disbursements required.

As at December 31, 2023, the company did not have any material provisions for litigation claims. Further, the company does not believe claims for which no provision has been recorded will have a material impact on the financial position of the company.

22. Segment reporting

Segment information is presented in respect of the company's business and geographical segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The company comprises the following main business segments:

Feeds. The manufacture and sale of feeds used in the livestock industry.

Baby Chicks. Hatching of chicks sold to the poultry industry.

Rice. The manufacture and sale of parboiled rice.

Geographical segments

Guyana is the sole market for baby chicks and the major market for feed sales. Parboiled rice is sold to certain Caricom destinations.

In presenting information on the basis of geographical segments, revenue is based on the geographical location of customers.

Segment assets are not distinguishable for geographical purposes.

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

22. Segment reporting, continued

	2023			
Business segments	**Feeds** $	**Rice** $	**Baby chicks** $	**Total** $
Sales	8,838,120,515	1,032,740,704	879,751,431	10,750,612,650
Segment result	1,488,102,543	(8,270,506)	26,621,649	1,506,453,686
Unallocated				(21,984,645)
Taxation				(411,003,057)
Profit for the year				1,073,465,983
Segment assets	880,888,883	107,118,243	64,776,577	1,052,783,703
Unallocated				3,258,169,794
Total assets				4,310,953,497
Segment liabilities	815,320,982	48,314,134	19,817,625	883,452,741
Unallocated				448,861,955
Total liabilities				1,332,314,696

	2022			
Business segments	**Feeds** $	**Rice** $	**Baby chicks** $	**Total** $
Sales	7,543,992,700	1,252,964,381	898,742,213	9,695,699,294
Segment result	515,257,429	(126,705,204)	62,029,493	450,581,718
Unallocated				(13,736,028)
Taxation				(114,758,152)
Profit for the year				322,087,538
Segment assets	950,349,544	107,118,243	78,919,879	1,136,387,666
Unallocated				1,588,793,172
Total assets				2,725,180,838
Segment liabilities	451,980,735	48,314,134	19,817,625	520,112,494
Unallocated				139,324,413
Total liabilities				659,436,907

Notes to Financial Statements

December 31, 2023
(Expressed in Guyana Dollars)

22. Segment reporting, continued

Geographical segments

	Guyana		Caricom		Total	Total
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Sales	**9,725,520,203**	8,444,141,454	**1,025,092,448**	1,251,557,840	**10,750,612,650**	9,695,699,294

23. Fair values

The fair value hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly such as derived from prices.

- Level 3 inputs are unobservable inputs for the asset or liability.

There have been no changes in categories of financial instruments since December 31, 2022.

Financial assets and liabilities measured at fair value on a recurring basis are as follows:

	December 31, 2023					December 31, 2022
	Carrying amount	Level 1	Level 2	Level 3	Total	
	$	$	$	$	$	$
Cash and cash equivalent	2,130,532,837	2,130,532,837	-	-	2,130,532,837	1,198,388,792
	2,130,532,837	2,130,532,837	-	-	2,130,532,837	1,198,388,792

24. Subsequent events

There are no significant events that occurred after the reporting date that affects the financial performance, position or changes therein for the reporting period presented in these financial statements.

Proxy Form

The Secretary
Guyana Stockfeeds, Inc.
Farm, East Bank Demerara
Guyana

I/We ____

of ____

A member/members of GUYANA STOCKFEEDS INC., hereby appoint ____________________

of ____

or in his/her absence ____________________________

of ____

as my/our Proxy to vote in my / our name(s) and on my / our behalf upon any matter proposed at the 63rd Annual General Meeting of the Guyana Stockfeeds, Inc. to be held on 28th June, 2024 or any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand this ________________ day of ____________________ 2024

Signed by the said ____________________________________

(Name of Member/s) ____________________________________

(Signature of Member/s) ________________________________

NOTE:

To be valid, this form must be completed and deposited with the Secretary at least 48 hours before the time appointed for the meeting or adjourned meeting.

GUYANA STOCKFEEDS INC.

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