GET GOING. KEEP GROWING

IPED

2023

ANNUAL REPORT

INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT LIMITED

“Be reminded that: IPED exists to help people who are willing to help themselves.”

-Dr. Yesu Persaud

VISION

Improved livelihoods by building sustainable micro and small enterprise.

MISSION

IPED provides finance and advisory services to micro and small business entrepreneurs enabling them to build sustainable enterprises.

OBJECTIVES

- To promote a culture of entrepreneurship and to inspire and empower micro and small business owners to build sustainable enterprises.
- To provide timely and adequate financing, technical assistance and business guidance to micro and small business owners to enhance their production potential and capacity to meet their market demands.
- To promote sustainable environmental practices and technologies to micro and small businesses that will mitigate the risks of harm to our environment.
- To build effective partnerships with organizations providing complementary support services to micro and small businesses.
- To provide a work environment where all employees are treated fairly, are adequately compensated, trained and highly motivated towards the achievement of our vision.

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NOTICE OF MEETING

Notice is hereby given that the thirty-eighth Annual General Meeting of the Institute of Private Enterprise Development Limited will be held on Tuesday, April 16, 2024, commencing at 14:30 hours, in the IPED Boardroom at 253-254 South Road, Bourda, Georgetown and virtually via Zoom.us.

AGENDA

1. Chairman's Review of the Institute for the Year 2023
2. Receive and Consider the Institute's Accounts, Reports of the Directors and Auditors for the Year 2023
3. Re-elect Directors Retiring by Rotation
4. Appointment of Director
5. Appointment of Auditors and Remuneration of Auditors
6. Any Other Business

BY ORDER OF THE BOARD

....

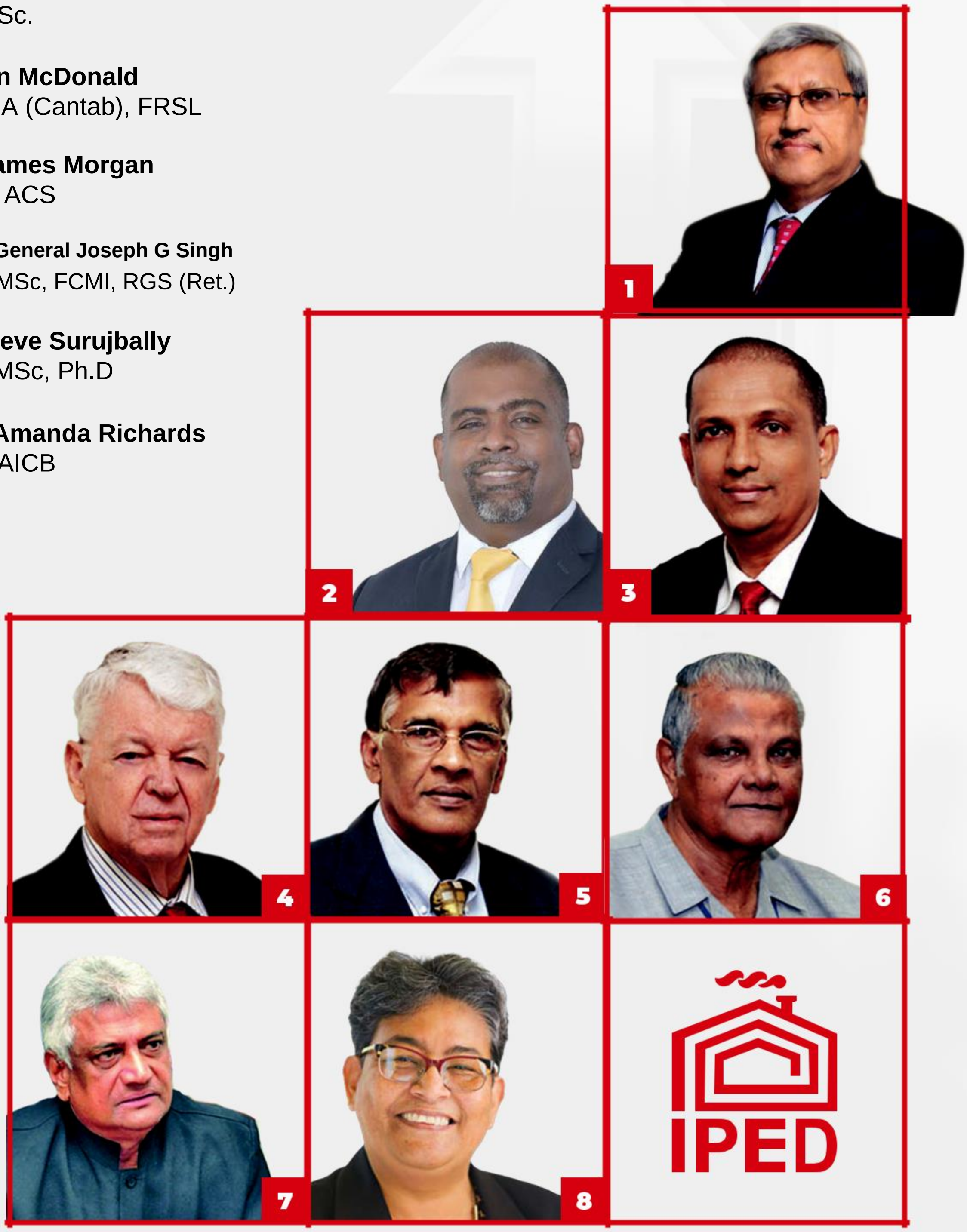
Sherrie Hewitt
Company Secretary

Registered Office:
253-254 South Road
Bourda
Georgetown

March 26, 2024

BOARD OF DIRECTORS

1. **Mr. Komal Samaroo**
   CCH, FCCA, ACIS-Chairman
2. **Mr. Ramesh Persaud**
   MBA, FCCA
3. **Mr. Ramsay Ali**
   AA, BSc.
4. **Dr. Ian McDonald**
   AA, MA (Cantab), FRSL
5. **Mr. James Morgan**
   FLMI, ACS
6. **Major General Joseph G Singh**
   MSS, MSc, FCMI, RGS (Ret.)
7. **Dr. Steve Surujbally**
   BSc, MSc, Ph.D
8. **Mrs. Amanda Richards**
   MSc, AICB



CORPORATE INFORMATION

Directors

Mr. Komal Samaroo
-Chairman
Mr. Ramesh Persaud
Mr. James Morgan
Dr. Ian McDonald
Mrs. Amanda Richards
Mr. Ramsay Ali
Major General
Joseph G Singh (Retired)
Dr. Steve Surujbally

Registered Office

IPED Building
253 South Road,
Bourda, Georgetown, Guyana
Tel: 592-226-4675
Fax: 592-223-7834
Email: iped@ipedgy.com
Website: www.ipedgy.com

Bankers

Demerara Bank Ltd.
Republic Bank Ltd.
Guyana Bank for Trade
& Industry Ltd.
Citizens Bank Guyana Ltd.

Auditors

TSD LAL & CO
Chartered Accountants
77 Brickdam, Stabroek
Georgetown, Guyana

Attorneys at Law

Mr. Murseline Bacchus
Berbice
Mr. Lachmi N. Dindyal
Essequibo

Branches

Region 1
Mabaruma
Port Kaituma

Region 2
54 Cotton Field
Essequibo Coast
Tel: 592-771-4298

Lot 110 Charity Public Rd.
Essequibo Coast
Tel: 592-771-4800

Region 3
Lot 14 Section B
Hydroni, Parika
East Bank Essequibo
Tel: 592-260-4399

Lot ‘C’ Klein Pouderoyen,
West Bank Demerara
Tel: 592-264-3592

Region 4
IPED Building
253 South Road
Bourda, Georgetown
Tel: 592-226-4675

Lot 161 Lusignan Public Road
East Coast, Demerara
Tel: 592-220-1251

Region 5
East 1/2, Lot 19 Section ‘D’
Bushlot, W.C.B, Region Five
Tel: 592-327-5367

Region 6
1 Port Mourant
Corentyne
Tel: 592-336-6171

Lot 25 Corriverton
Corentyne, Berbice
Tel: 592-335-3928

Lot 12 Main & Chapel Sts.
New Amsterdam
Tel: 592-333-5673
592-333-4360

Region 9
Lethem
Rupununi
Tel: 592-772-2229

Region 10
Hand-in-Hand Building
Lot 23 Republic
Avenue
Linden
Tel: 592-444-3001

REPORT FROM THE CHAIRMAN

I am very pleased to present the report for IPED for the financial year ending 31st December 2023. It was another successful year for the company as it continues to support the growth and development of the micro and small business sectors.

THE BUSINESS ENVIRONMENT

The Guyanese economy continues to experience record growth and was lauded by the International Monetary Fund as the fastest-growing economy in the world. The economy is estimated to grow by 33%, while the non-oil GDP is projected to grow by 11.7% (National Budget 2023). Substantial resources are committed by the state to fund major capital projects upgrading the nation's infrastructure and energy production and distribution, creating a more competitive environment for agriculture and manufacturing. In addition, major new foreign investments in the tourism and energy sectors continue to fuel continuing expansion of the country's economy in the foreseeable future.

At the regional level, Caricom's governments' Regional Food Security Policy will open new potential markets for Guyana increasing production in the agriculture and manufacturing sectors. At the same time, there are new initiatives to improve logistics and transportation within the region to facilitate efficient supply chains and trade expansion as the region seeks to integrate the economies of the various territories. These developments present new growth opportunities for micro and small businesses in Guyana.

The regional agenda must be seen against emerging global trends of on-shoring, near-shoring, and friend-shoring in sourcing of critical supplies vital for their well-being and national security by the major countries and regions of the world. As the geo-political risks to supplies and logistics heighten around the world, smaller nations are recognising the risks associated with out-sourcing supplies and the additional capital required when 'just-in-time' supply chains have become unreliable and disfunctional.

RESPONDING TO CHANGES AND NEW OPPORTUNITIES

It is in the context of the current local, regional, and global environment that the role of IPED becomes even more important in promoting, supporting, and developing micro and small businesses and helping them to integrate into the new emerging national supply chains, taking advantage of new outsourcing opportunities that come with every new investment. The mobilisation of resources from the medium portfolio and re-channelling them to the micro and small loans sector will better position IPED to play a more meaningful role in this regard.

In the immediate future, IPED will continue to make strides in reaching entrepreneurs in underserved communities, as indeed it did, when it relocated the Rosignol branch to Bush Lot, West Coast Berbice. This move has made access to finance and business guidance more convenient to a wider

"In 2023 IPED processed 4,881 loans for a total value of $4,283M compared to 5,013 loans for a total value of $3,910M in 2022."

cross-section of entrepreneurs who expect rapid growth in their communities in the coming years.

Additionally, IPED has recognized the need to adopt new technologies that will significantly improve the delivery of its services to its clients, while ultimately enhancing its performance in the future. It is with this objective in mind that we are currently implementing a state-of-the-art integrated loan management system which should be fully operational by the end of this year. We aim to achieve full automation of the disbursement of loans and repayments by clients through direct banking channels.

The vision and mission of IPED place particular importance on the sustainability of micro and small businesses. In an environment where the demand is growing for technical skills, IPED has decided to pursue the implementation of a program to combine the knowledge of trained technicians with marketing knowledge and entrepreneurial skills, creating new opportunities for Technical Skills-based Entrepreneurs to improve their income and quality of life. We are expanding our reach to graduates from technical and skill-based institutions, providing them with opportunities for financial support to kickstart their entrepreneurial journey. This initiative aligns with our dedication to providing financial assistance and empowering individuals with technical expertise to contribute meaningfully to the economy.

The strategic decision to focus the company's resources on expanding micro and small loans ($2M-$7.5M) and reducing the micro loan interest rate by 31% supported IPED's growth in 2023 in its efforts to meet market demands for financing. In 2024 the Business Development and Marketing Department's role in providing business services to entrepreneurs will be developed as we seek to expand the range of support to clients. The institution's international image was significantly boosted in 2023 by signing a Memorandum of Understanding with the Cuban Chamber of Commerce to provide its membership with entrepreneurial and capacity-building training. These new services are expected to aid in the transformation of micro and small businesses from informal into formal sustainable enterprises that possess the capacity, requisite information, and resources for further growth, development, and elevation.

REPORT FROM THE CHAIRMAN (cont'd)

RESULTS FOR 2023

In 2023, IPED processed 4,881 loans for a total value of $4,283M compared to 5,013 loans for a total value of $3,910M in 2022, decrease of 132 or 3% in number of loans with an increased value of $373M or 10% compared to 2022. Our records show that as of December 31, 2023, IPED serviced 4,750 small and micro enterprises with gross loans outstanding of $4,156M. Non-performing loans as at December 31, 2023, totalled $95M or 2% compared to 2022's $118M or 3%.

IPED's assets at the end of 2023 totalled $5,598M, a decrease of $11M or 0.2% from $5,609M as of December 31, 2022. Assets are financed by accumulated surplus of $4,386M and liabilities of $1,213M. This is in comparison to 2022's accumulated surplus of $4,268M and $1,341M liabilities.

IPED's total operating income for 2023 was $952M compared to $848M in 2022, an increase of $104M or 12%. Total operating cost before loan impairment in 2023 was $597M compared to $588M in 2022, an increase of $9M or 2%. IPED's operating surplus for 2023 was $301M compared to $223M in 2022, an increase of $78M or 35%; after remeasurement of its employees' pension plans, net total comprehensive income for 2023 was $118M compared to $458M in 2022.

Despite the challenges faced in 2023, IPED has demonstrated financial resilience and achieved commendable results. Our efforts extend beyond financial metrics. IPED contributes to Guyana's environmental sustainability through initiatives like the Green Loan Product and partnerships with organizations promoting climate-resilient practices.

I sincerely thank the Board, Management, and dedicated staff for their unwavering commitment to IPED's vision. Our team's adaptability and resilience have been instrumental in navigating the evolving landscape.

I thank our clients, partners, and stakeholders for their continued support. Together, we will forge ahead, embracing the opportunities of the digital era and creating a more inclusive and dynamic landscape for entrepreneurship.

Thank you.

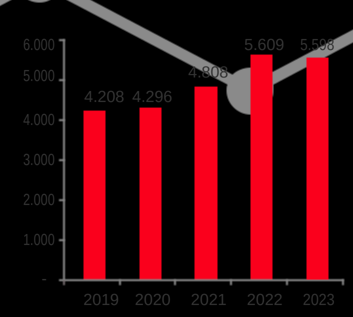
Komal Samaroo
Chairman

IPED, SUPPORTING,

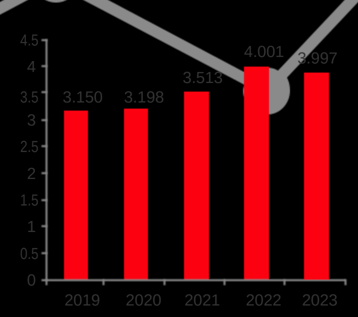
and developing MICRO and SMALL businesses.

FINANCIAL SUMMARY

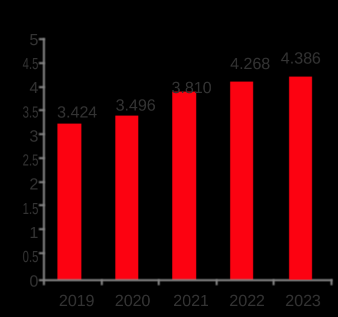
TOTAL ASSETS ($BILLIONS)



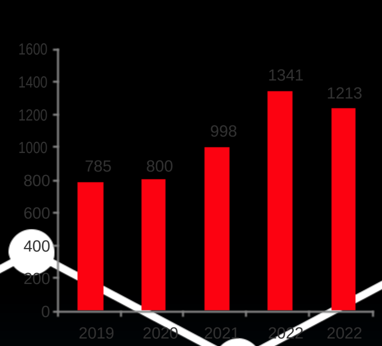
NET LOANS VALUE ($BILLIONS)



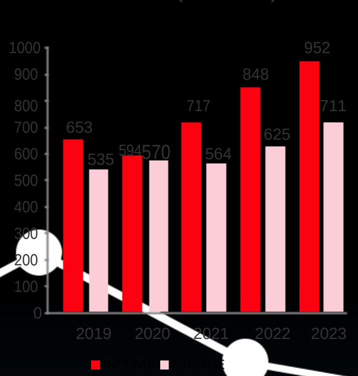
EQUITY ($BILLIONS)



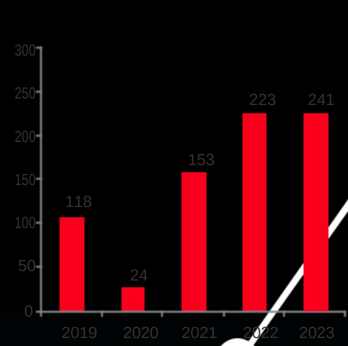
TOTAL LIABILITIES ($MILLIONS)



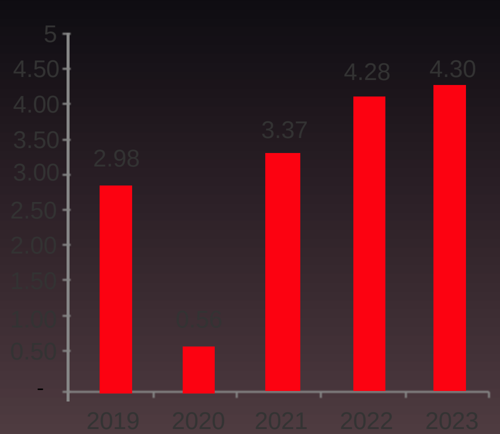
INCOME/ EXPENSE ($MILLIONS)



SURPLUS ($MILLIONS)

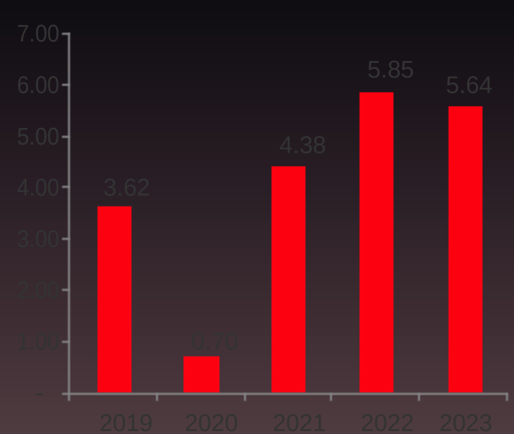


RETURN ON ASSETS (%)



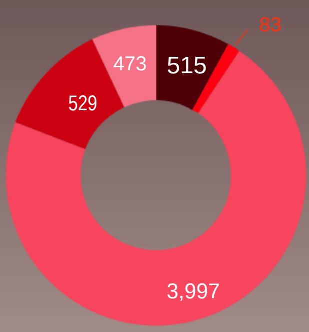
Return on Assets = Surplus/Total Assets

RETURN ON EQUITY (%)

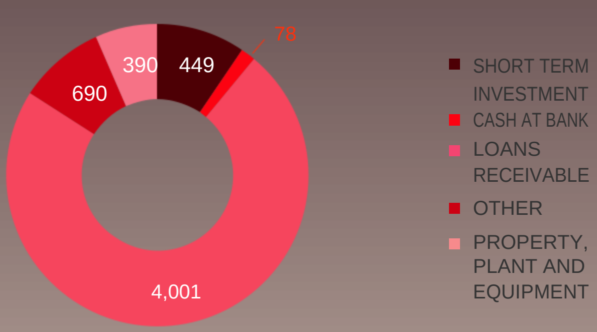


Return on Equity = Surplus/Total Equity

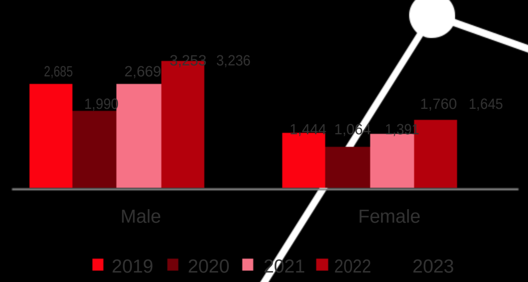
TOTAL ASSETS ($MILLIONS) 2023



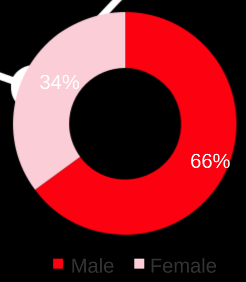
TOTAL ASSETS ($MILLIONS) 2023



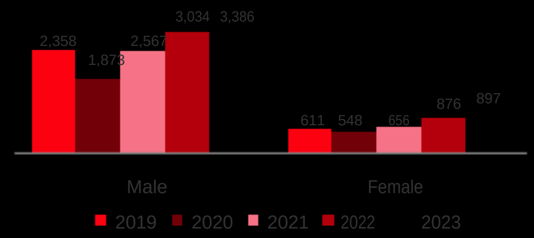
NUMBER OF LOANS BY GENDER



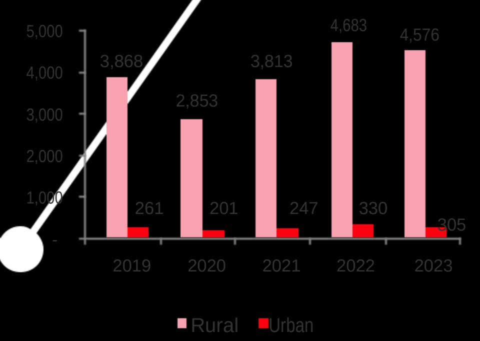
2023



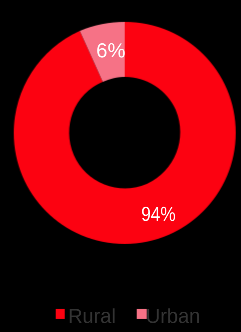
VALUE OF LOANS BY GENDER ($MILLIONS)



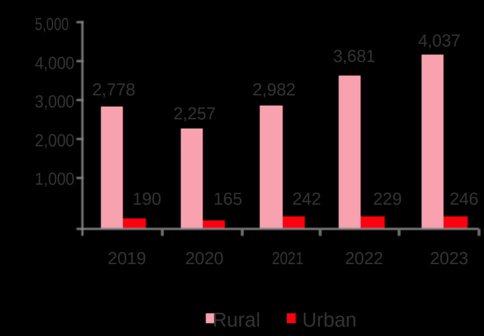
NUMBER OF LOANS BY GEOGRAPHICAL AREA



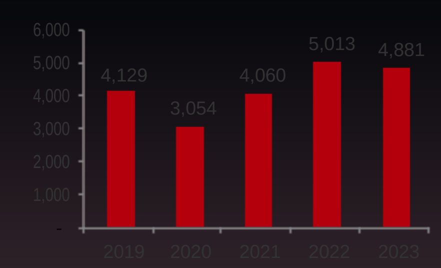
2023



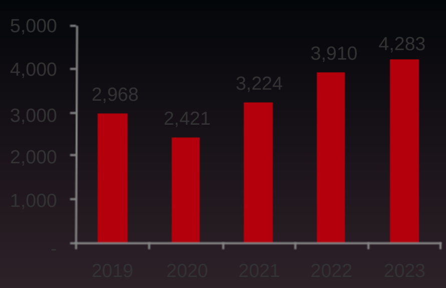
VALUE OF LOANS BY GEOGRAPHICAL AREA ($MILLIONS)



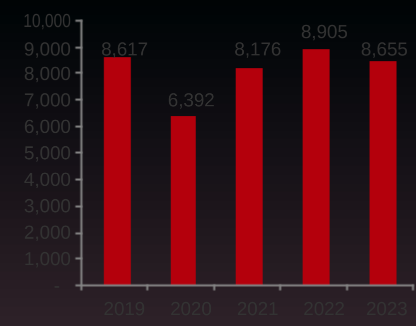
NUMBER OF LOANS GRANTED

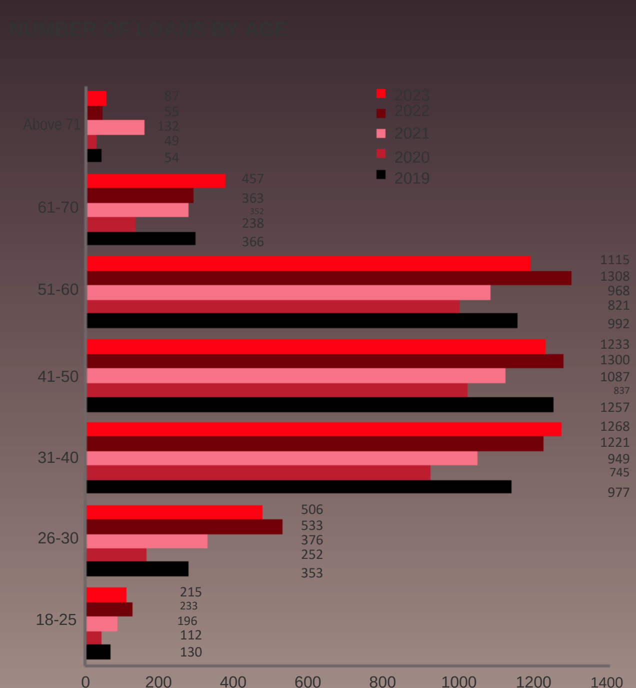


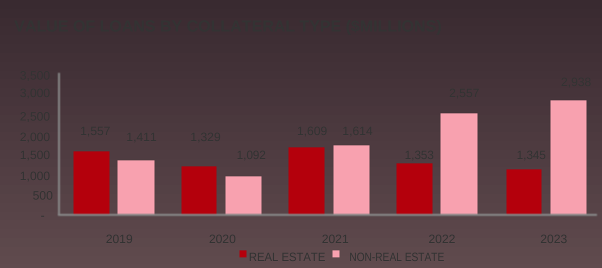
VALUE OF LOANS DISBURSED ($MILLIONS)



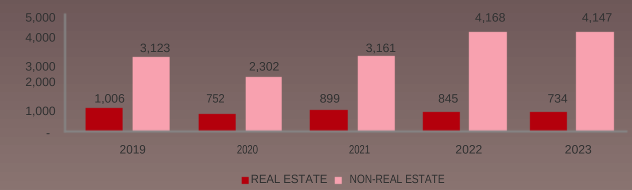
NUMBER OF JOBS CREATED/SUSTAINED







NUMBER OF LOANS BY COLLATERAL TYPE



STAFF AWARDS

05 YEARS

	DATE OF EMPLOYMENT
Maheepa Ramballie	**6th August, 2018**
Vianne Francis	**2nd August, 2018**
Desiree Tahal	**6th August, 2018**

10 YEARS

Tshanna Dainty	**20th May, 2013**
Noel Carreiro	**19th September, 2013**
Veshaun Das	**18th November, 2013**
Sabitree Mohamed	**2nd September, 2013**

TRUST, HONESTY, HUMILITY, TRANSPARENCY & ACCOUNTABILITY

are the

BUILDING BLOCKS

of a positive reputation

- Mike Paul

MANAGEMENT TEAM

Left to Right

Mr Jagdesh Haripershad
Chief Executive Officer

Mr Dhanpall Birbal
Credit Manager

Ms Sherrie Hewitt - Robin
Company Secretary/Legal Manager

Mr Robert Williams
Business Development & Marketing Manager

Mr Vishnu Harpaul
Branch Manager, Essequibo

Mr Devendra Lakhram
Branch Manager, Parika/Vreed-en-Hoop

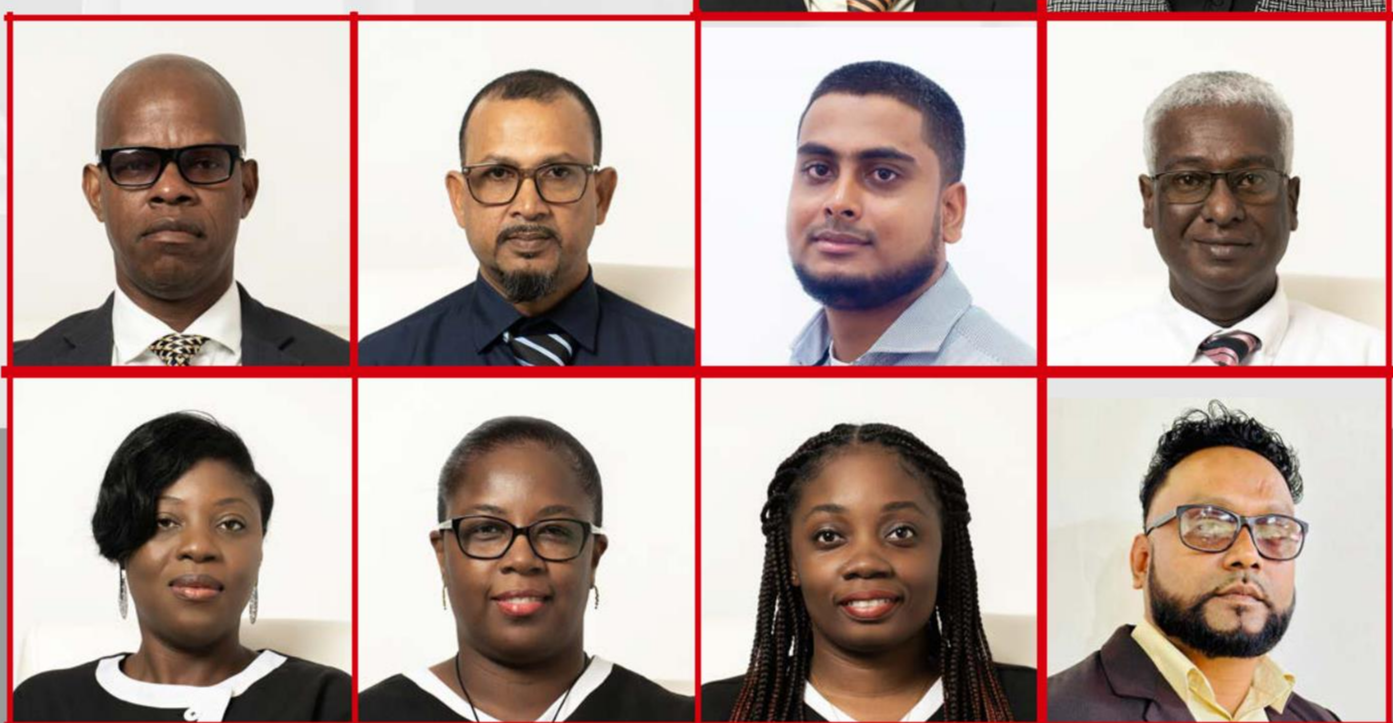
Mr Shaun Persaud
Branch Manager, East Coast

Ms Sheena Crandon
Audit Supervisor

Ms Juanita Critchlow
Assistant Legal Manager/Assistant Company Secretary

Ms Dinesha Jones
Officer-in-Charge, Human Resources

Mr Barry Singh
Officer-in-Charge, Essequibo



Our **TEAM** of experienced **PROFESSIONALS** is committed to helping you achieve your **FINANCIAL ASPIRATIONS.**

Left to Right

Mr Ganeshram Misir
Chief Internal Auditor

Ms Tshanna Betton - Haynes Dainty
Finance Manager

Mr Kareem Rodney
Branch Manager, Bush Lot

Ms Vaneta Ramalho
Branch Manager, East Berbice

Ms Kenesha Smith
Branch Manager, Hinterland Operations

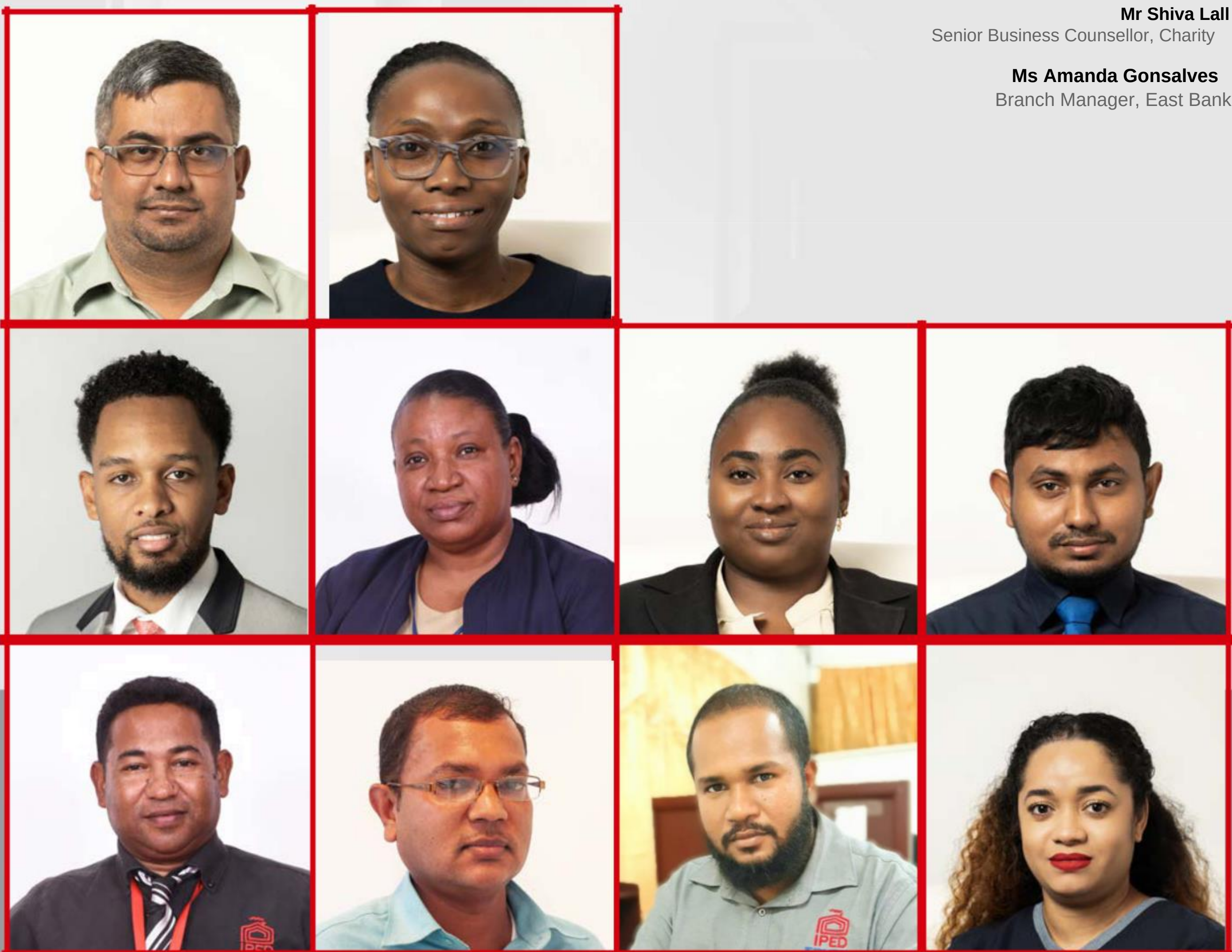
Mr Avinash Ramkirath
Accountant

Mr Ragunandan Pancham
Officer-in-Charge, Corriverton

Mr Brindaban Ramasar
Senior Business Counsellor, Vreed-en-Hoop

Mr Shiva Lall
Senior Business Counsellor, Charity

Ms Amanda Gonsalves
Branch Manager, East Bank




IPED
CLIENT
AWARDS
2023

CLIENT AWARDS

Jagdat Nimnauth
Johanna South, Black Bush Polder - Rice Cultivation

Best Agricultural Enterprise

Dindial Naraine
Richmond Housing Scheme Distribution (Food & Household)

Best Small Enterprise

Donna Henry
Moruca, Region 1 Distribution (Food & Household)

Best Micro Enterprise

Desiree Ramsarran
Lethem
Variety & Haberdashery

Best Woman Entrepreneur

Philbert Suchit
Planters Hall, Mahaicony, ECD Other Services (Supermarket & Gas Station)

Best Medium Enterprise

LOAN STATISTICS

LOAN STATISTICS							
ECONOMIC SECTOR	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Fishing	85	81	54	45	35	57	59
Hospitality Food Beverage	174	217	151	140	229	203	212
Livestock	169	159	115	79	99	129	117
Logging And Lumber	39	40	16	19	24	22	23
Manufacturing	222	188	123	112	133	154	143
Other Crops	317	323	349	226	283	274	315
Others	181	195	115	91	94	95	121
Poultry	256	273	342	242	243	213	262
Retail Trade	1,572	1,566	1,171	879	1,187	1,138	1,190
Rice	791	796	1,144	828	1,252	1,259	1,259
Services	439	426	223	195	281	266	277
Transportation	506	377	257	198	269	278	240
TOTAL	**4,750**	**4,641**	**4,060**	**3,054**	**4,129**	**4,091**	**4,218**

CLASSIFICATION OF LOAN RECEIPTS							
CUMMULATIVE	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Men	3,236	3,253	2,669	2,685	2,763	2,743	2,766
Women	1,645	1,760	1,391	1,444	1,328	1,475	1,693
Joint - Men & Women	-						
TOTAL	**4,881**	**5,013**	**4,060**	**4,129**	**4,091**	**4,218**	**4,459**

ADMINISTRATIVE ANALYSIS							
SUMMARY OF RESULT OF ACTIIVITIES	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
No. of Loans Granted	4,881	5,019	4,060	4,129	4,091	4,218	4,459
Value of Loans Approved	4,283,075	3,909,979	3,223,541	2,968,451	2,663,138	2,683,540	2,286,201
No. of Jobs Created/ Sustained	8,655	8,905	8,176	8,617	8,627	8,714	8,527
Average Loan Size	877	780	794	719.0	651.0	636.2	512.7
Administrative Cost Per Loan	117,455	107,825	126,094	116,096	109,144	101,240	94,917
Average No. of Jobs Per Loan	2	2	2	2.0	2.1	2.1	1.9
Loan Value Per Job	495	439	394	344	309	308	268

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting this Report and Audited Financial Statements for the year ended December 31, 2023.

PRINCIPAL ACTIVITIES

The Institute of Small Enterprise Development was incorporated on October 2, 1985, as a company limited by guarantee under the Companies Act Cap 89:01 and continued under the Companies Act 1991. It is a non-profit and tax-exempt organisation, formed to promote and encourage the development and growth of industry through the provision of business guidance, technical assistance, non-traditional credit facilities, among other services, to small business entrepreneurs or to groups, as well as to generally promote and encourage the development and growth of all other economic activities designed to improve the social and economic welfare of the people of Guyana. The entity's name was changed to the Institute of Private Enterprise Development with effect from September 10, 1991.

On August 14, 1986, the Institute was prescribed as an Organisation of National Character in Guyana under section 35(1) of the Income Tax Act Cap 81:01.

PERFORMANCE FOR THE YEAR

The year 2023 saw improvements in the overall performance of the Institute, as renewed focus was placed on engaging the micro and small entrepreneurs only, in accordance with the Institute's vision and mission.

In the year 2023, the Institute disbursed a total of 4,881 Loans valued at $4.3 billion compared to 5,013 loans valued at $3.9 billion in 2022. The loans created/sustained 8,655 jobs.

Income totalled $952 million and expenditure $711 million resulting in a surplus of $241 million for the year, compared to $223 million in the year 2022.

APPLICATION OF SURPLUS

Net surplus for the year 2023 of $241 million and this was transferred to the accumulated surplus which totalled $4.386 billion at the end of 2023.

CREDIT PROGRAMMES

In the year 2023, the Institute operated four Loan Windows:

1. Youth Loan Facility: to meet the needs of young entrepreneurs between the ages of 18 and 35 years.
2. Micro Loan Window: to meet the needs of micro business entrepreneurs.
3. Small Loan Window: to meet the needs of small business entrepreneurs.
4. Medium Loan Window: to meet the needs of existing medium business entrepreneurs.

ENTREPRENEURIAL DEVELOPMENT

The Business Development and Marketing Department of the Institute was conceptualised in the year 2021 and began its work in 2022. It replaces the Entrepreneurial Development Centre (EDC) in providing training, education, and development towards the aim of enhancing the chances of success. In 2023, the Department provided resources and support to the Institute's Clients to transform their businesses and business management from informal to formal. The Department also commenced the enhancement of the Institute's virtual training library with the completion of several training videos for new staff and for client training. It is also working towards the development of the Institute as an organisation and the marketing to improve the awareness of and access to the Institute's services. The Department engaged in enhanced networking and made proposals to key institutions such as the International Office for Migration, the Technical Institutes, Guyana Livestock Development Authority and the National Agricultural Research and Extension Institute for future collaboration.

BOARD OF DIRECTORS

In 2023 there were 8 Directors on the Board, namely:

1. Mr Komal Samaroo
2. Dr Ian McDonald
3. Mr James Morgan
4. Mrs Amanda Richards
5. Mr Ramsay Ali
6. Major General (Retired) Joseph G. Singh
7. Dr Steve Surujbally
8. Mr Ramesh Persaud

Pursuant to the Institute's By-laws, the following Directors retire by rotation and are eligible for re-election:

1. Major General (Retired) Joseph G. Singh
2. Mr Ramsay Ali
3. Mr Ramesh Persaud

Mr Floyd Scott was appointed to fill a vacancy on the Board and is eligible to be re-elected in accordance with the By-laws.

AUDITORS

The retiring Auditors, Messrs TSD LAL & CO., have intimated their willingness to be re-appointed.

INDEPENDENT AUDITOR'S REPORT

To The Members Of
Institute Of Private Enterprise Development On
The Financial Statements For The Year Ended December 31 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Institute of Private Enterprise Development (the Institute), which comprise the statement of financial position as at December 31, 2023, the statement of income,statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 24 to 60. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2023, its financial performance and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute 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.

Other Information in the Annual Report

Management is responsible for the other information. The other information comprises all the information included in the Institute's 2023 annual report, but does not include the financial statements and our auditor's report thereon. The Institute's 2023 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT(cont'd)

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.

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

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

In preparing the financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Institute's financial

reporting process. **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional 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.

INDEPENDENT AUDITOR'S REPORT(cont'd)

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

Report on Other Legal and Regulatory Requirements

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

TSD LAL & CO.

TSD Lal & Co

77 Brickdam,
Stabroek,
Georgetown
Date: January 16, 2024

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	2023 G$	2022 G$
Interest income		899,168,295	790,339,300
Interest expense		54,014,163	47,121,033
Interest expense - lease liability		2,697,880	3,182,137
Net interest income		**842,456,252**	**740,036,130**
Investment income	5	28,958,951	22,805,849
Other income	6	23,577,043	35,107,953
Net interest and other income		**894,992,246**	**797,949,932**
Employment cost	7a	312,207,838	290,365,505
Impairment	7d	53,305,740	37,698,984
Premises and equipment expenses		60,316,711	66,487,950
Other operating costs		167,690,877	180,490,184
		593,521,166	**575,042,623**
Surplus of revenue over expenditure	7	**301,471,080**	**222,907,309**

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

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	2023	2022
		G$	G$
Surplus of revenue over expenditure	7	301,471,080	222,907,309
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to surplus or deficit:			
Remeasurement of provision for employee benefits	8	(190,415,000)	235,053,000
Fair value adjustment for equity investments		6,804,237	-
Other comprehensive income		(183,610,763)	235,053,000
Total comprehensive income for the year		**117,860,317**	**457,960,309**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital donations G$	Other reserve	Accumulated surplus G$	Total G$
Balance at 1 January 2022	256,497,733	-	3,553,292,307	3,809,790,040
Surplus for the year	-	-	222,907,309	222,907,309
Remeasurement of provision for employee benefits	-	-	235,053,000	235,053,000
Total recognised income for the year	-	-	457,960,309	457,960,309
Balance at 31 December 2022	256,497,733	-	4,011,252,616	4,267,750,349
Surplus for the year	-	-	301,471,080	301,471,080
Remeasurement of provision for employee benefits	-	-	(190,415,000)	(190,415,000)
Fair value adjustment for equity investments	-	6,804,237	-	6,804,237
Total recognised income for the year	-	6,804,237	111,056,080	117,860,317
Balance at 31 December 2023	**256,497,733**	**6,804,237**	**4,122,308,696**	**4,385,610,666**

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

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

ASSETS	Notes	2023 G$	2022 G$
Cash resources	9	99,566,914	93,802,874
Investments	10	499,134,709	433,220,832
Loans receivable	11	3,996,953,296	4,001,389,864
Property, plant and equipment	12	472,005,816	386,374,976
Intangible assets	13	1,153,760	3,995,278
Defined benefit asset	8	501,870,000	661,900,000
Other assets	14	27,616,020	28,222,815
TOTAL ASSETS		**5,598,300,515**	**5,608,906,639**
EQUITY AND LIABILITIES			
EQUITY			
Capital donations	15a	256,497,733	256,497,733
Other reserve	15b	6,804,237	-
Accumulated surplus		4,122,308,696	4,011,252,616
		4,385,610,666	4,267,750,349
LIABILITIES			
Loans payable	16	402,553,432	373,369,134
Other liabilities	17	810,136,417	967,787,156
		1,212,689,849	1,341,156,290
TOTAL EQUITY AND LIABILITIES		**5,598,300,515**	**5,608,906,639**

These financial statements were approved by the Board of Directors on January 16, 2024.

On Behalf of the Board

Mr. Komal Samaroo
Chairman

Mr. Ramsay Ali
Director

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 G$	2022 G$
OPERATING ACTIVITIES		
Surplus of revenue over expenditure	301,471,080	222,907,309
Adjustments for:		
Depreciation	41,566,009	41,678,126
Amortisation	3,811,430	4,830,530
Defined Benefit expense	(30,385,000)	(17,789,000)
Loss on disposal of property, plant and equipment	845,027	1,497,936
Interest expense - lease liability	2,697,880	3,182,137
Operating surplus before working capital changes	320,006,426	509,149,038
Movements in:		
Loans receivable	4,436,568	(488,459,573)
Other receivables and prepayments	448,993	6,362,331
Inventory	157,802	(524,020)
Other payables and accruals	1,391,708	(9,166,672)
Net cash provided by/(used in) operating activities	326,441,497	(235,480,896)
INVESTING ACTIVITIES		
(Increase)/decrease in investment	(59,109,640)	5,735,458
Purchase of property, plant and equipment	(128,335,248)	(116,586,225)
Purchase of intangible assets	(969,912)	-
Increase/(decrease) in lease payable	(679,254)	10,239,475
Proceeds from sale of property, plant and equipment	293,373	311,478
Net cash used in investing activities	(188,800,681)	(100,299,814)
FINANCING ACTIVITIES		
Loan drawn down	70,000,000	30,000,000
Loan repayments	(40,815,703)	(272,120,316)
Lease interest	(2,697,880)	(3,182,137)
Repayment of the lease liabilities	(7,372,520)	(6,356,663)
Net cash provided by/(used in) financing activities	19,113,897	(251,659,116)
Net increase/(decrease) in cash resources	156,754,713	(587,439,826)
Cash resources at beginning of period	(619,304,157)	(31,864,331)
Cash resources at end of period	**(462,549,444)**	**(619,304,157)**
Comprising		
Bank overdraft (secured)	(562,116,358)	(713,107,031)
Cash resources	99,566,914	93,802,874
	(462,549,444)	**(619,304,157)**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Incorporation and activities

The Institute of Private Enterprise Development Limited (IPED) was incorporated on October 2, 1985 as the Institute of Small Enterprise Development Limited, a name that was subsequently changed on September 10, 1991 to reflect the current name. IPED commenced operations on April 1, 1986. The company is established as a not-for-profit organization and its objects are, but not limited to, enterprise development through the provision of business guidance, technical assistance, training and finance to micro and small business entrepreneurs enabling them to build sustainable enterprises.

2. New and amended standards and interpretations

Effective for the current year end

New and Amended Standards	**Effective for annual periods beginning on or after**
IFRS 17: Insurance Contracts	1 January 2023
Amendment to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

None of these amendments had an impact on the financial statements.

Pronouncements effective in future periods available for early adoption

New and Amended Standards	**Effective for annual periods beginning on or after**
Amendments to IAS 1: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules	1 January 2024
IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2: Climate-related Disclosures	1 January 2024

The Institute has not opted for early adoption.

None of the foregoing new and amended standards are expected to have a material impact on the financial statements of the Institute.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 1991 of Guyana.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at amortised cost and fair value, as explained in the accounting policies below.

(c) Revenue and expense recognition

The Institute has adopted a conservative approach and recognises interest income from loans on a cash basis, whilst expenses have been recognised on an accrual basis.

(d) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to Guyana dollars at the Cambio rates prevailing on that date or at rates agreed by the Bank of Guyana. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains and losses arising on retranslation are recognised as revenue or expenditure for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognised in the statement of other comprehensive income.

(e) Borrowing costs

The Institute's borrowings are for working capital purposes. For this purpose, all borrowing costs are expensed in the period in which they are incurred.

(f) Defined benefit plan

The Institute participates in a multi-employer defined benefit plan (Demerara Distillers Limited Pension Plan) for its employees. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carrried out at the end of each reporting period (stated in note 8). The future payments of employee benefits may differ from the estimated amounts due to deviations from assumptions used.

(g) Taxation

The Institute being recognised as an organization of national character in Guyana has been granted tax exempt status under the Income Tax Act. This was passed via regulation no. 7 of 1986 of the Income Tax Act on August 14, 1986 by the Minister of Finance. As such, taxation and deferred tax are not considered in the preparation of these financial statements.

3. Summary of significant accounting policies cont'd

(h) Property, plant and equipment

(i) Property, plant and equipment are held for use in the supply of services and for administrative purposes and are stated in the statement of financial position at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation of property, plant and equipment is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Building	-	2%
Office furniture	-	15%
Fixtures and fittings	-	15%
Office machinery	-	20%
Motor vehicles	-	25%
Computers and hardware	-	50%
Right of use asset - land leases	-	2%
Right of use asset - properties	-	10% - 20%

(ii) Leases

The Institute assesses whether a contract is or contains a lease, at inception of the contract. The Institute recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Institute recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Institute uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the Institute under residual value guarantees;
- The exercise price of purchase options, if the Institute is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented under other liabilities in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Institute remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

3. Summary of significant accounting policies cont'd

(h) Property, plant and equipment cont'd

(ii) Leases cont'd

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Institute expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as under Property, Plant and Equipment in the statement of financial position.

The Institute applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

(i) Intangible asset

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised over a straight line basis over their useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period.

(j) Inventories

Inventories are valued at the lower of cost and net realizable value based on the first-in-first-out method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. Summary of significant accounting policies cont'd

(k) Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that the Institute will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Investments

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs. Investment income have been recognised on an accrual basis.

“Investments” are carried at amortised cost and fair value throught Other Comprehensive Income. Any gain or loss on these investments is recognised as income or expenditure when the asset is derecognised or impaired.

(m) Financial assets

The Institute classifies its financial assets into the following measurement categories:
- those to be measured subsequently at fair value through other comprehensive income (FVTOCI), and
- those to be measured at amortised cost.

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit and loss):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Institute’s loan receivables, investments, other receivables and cash and cash equivalents fall into this category of financial instruments.

3. Summary of significant accounting policies cont'd

(n) Effective interest method

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

Income is recognised on an effective interest basis for bond investments only.

(o) Loans receivable

Loans to customers that have fixed or determinable payments and which are not quoted in an active market, are classified as loans receivable. Loans receivable are measured at amortised cost using the effective interest method, less any impairment.

Loans receivable are recognised when cash is advanced to borrowers and are derecognised when borrowers repay their obligations or when written off.

(p) Impairment of financial assets

The Institute will recognise a loss allowance for expected credit losses on the financial assets that are measured at amortised cost at each reporting date. At the reporting date, if the credit risk on a financial asset has not increased significantly since initial recognition, the Institute will measure the loss allowance at an amount equal to 12 month expected credit losses. However, the Institute will measure the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition.

The Institute will compare the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and consider reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition. A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the Institute about the following events:

1. significant financial difficulty of the borrower;
2. a breach of contract, such as a default or past-due event;
3. the lenders for economic or contractual reasons relating to the borrower's financial difficulty granting the borrower a concession that would not otherwise be considered;
4. it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
5. the disappearance of an active market for the financial asset because of financial difficulties; or
6. the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

For certain assets such as loans receivable, the credit risk would be considered as significantly increased since initial recognition when contractual payments are more than 30 days past due.

3. Summary of significant accounting policies cont'd

(p) Impairment of financial assets cont'd

The carrying amount of the financial asset is reduced through the use of an allowance account. When a financial asset is determined to be uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of income. In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of tangible assets

At the end of each reporting period, the Institute reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(q) Derecognition of financial assets

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

(r) Financial liabilities

The Institute’s financial liabilities are classified as financial liabilities at amortised cost.

(s) Classification as a debt or equity instrument

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

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

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

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

The Institute derecognises financial liabilities when the Institute’s obligations are discharged, cancelled or they expire.

3. Summary of significant accounting policies cont'd

(t) Cash resources

Cash resources are held for the purpose of meeting short-term cash commitments rather than investments or other purposes. These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(u) Business reporting divisions

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

The Institute's operations are considered a single business unit.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Institute's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Impairment losses on loans receivable

On a regular basis, management reviews receivables to assess impairment. Based on information available certain judgements are made that reflect the Institute's assessment of several critical factors that can influence future cash flows.

ii) Useful lives of property, equipment and intangible assets

Management reviews the estimated useful lives of property, equipment and intangible assets at the end of each year to determine whether the useful lives of property, plant and equipment and intangible assets should remain the same.

iii) Defined benefit asset

The provisions for defined benefit asset are determined by the actuary based on data provided by management.

The computation of the provisions by the actuary assumes that the data provided is not materially misstated.

iv) Impairment of Financial Assets

Management makes judgement at the end of each reporting period to determine whether financial assets are impaired.

Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	G$	G$
5. INVESTMENT INCOME		
Cash resources	84,867	110,232
Investments - bonds	28,874,084	22,695,617
	28,958,951	22,805,849
6. OTHER INCOME		
Recoveries on loans previously written off	4,917,282	10,756,337
Fees- ICM courses	-	798,750
Others	18,659,761	23,552,866
	23,577,043	35,107,953
7. SURPLUS OF REVENUE OVER EXPENDITURE	301,471,080	222,907,309
After charging:		
Depreciation and amortisation	45,377,439	46,508,656
Employment cost (a)	312,207,838	290,365,505
Auditors' remuneration (b)	975,260	928,820
Impairment (d)	53,305,740	37,698,984
(a) Employment cost:		
Salaries and wages	215,689,054	186,035,798
Training, welfare and other cost	102,334,789	102,200,153
Pension	(5,816,005)	2,129,554
	312,207,838	290,365,505
(b) Auditor's remuneration/ audit services	975,260	928,820

(c) Directors' Emoluments
No remuneration is paid to directors as all of them serve voluntarily.

(d) Impairment

	2023	2022
Provision for the year	83,541,295	10,886,651
Increase/(decrease) in Provision for Investments	(30,235,555)	26,812,333
	53,305,740	37,698,984

Investments are carried at amortized cost less a provision which is only created when the market value of the investment falls below the book value of the specific investment.

8. DEFINED BENEFIT ASSET

The Institute participates in a defined benefit plan (Demerara Distillers Limited Pension Plan) for its employees. The contributions are held in trustee administered funds which are separate from the Institute's resources, 78 (2022 - 83) employees participate in the plan.

During the year, the Institute's contribution to the scheme was G$24,681,000 (2022 - G$19,804,000).

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2023 by Bacon Woodrow & de Souza Limited. The present valuation of the defined benefit obligation and the related current service cost were measured at 31 December 2023 using the Projected Unit Credit Method.

	2023	2022
	G$	G$
Amounts in the statement of financial position:		
Defined benefit obligation	630,590,000	514,350,000
Fair value of plan assets	(1,132,460,000)	(1,176,250,000)
Net defined benefit asset	501,870,000	661,900,000
Reconciliation of amount recognised in the statement of financial position:		
Movement in Present value of defined benefit obligation		
Defined benefit obligation at start	514,350,000	439,092,000
Service cost	28,226,000	23,142,000
Interest cost	25,389,000	21,646,000
Members' contributions	9,145,000	7,522,000
Re-measurements		
Experience adjustments	66,781,000	35,457,000
Benefits paid	(13,301,000)	(12,509,000)
	630,590,000	514,350,000
Movement in fair value of plan assets		
Plan assets at start of year	1,176,250,000	848,150,000
Expected return on plan assets	59,319,000	42,773,000
Return on plan assets, excluding interest income	(123,634,000)	270,510,000
Company contributions	24,681,000	19,804,000
Members' contributions	9,145,000	7,522,000
Benefits paid	(13,301,000)	(12,509,000)
	1,132,460,000	1,176,250,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

8. DEFINED BENEFIT ASSET CONT'D

	2023	2022
	G$	G$
Asset allocation as at 31 December:		
Guyanese and regionally listed equities	785,482,000	858,223,000
Overseas equities (developed markets)	82,277,000	72,708,000
Regional bonds	17,556,000	17,352,000
Developed market bonds	54,140,000	42,881,000
Emerging market bonds	30,951,000	32,617,000
Cash and cash equivalents	162,054,000	152,469,000
Total	**1,132,460,000**	**1,176,250,000**
Expense recognised in statement of income		
Current service cost	28,226,000	23,142,000
Net interest on net defined benefit liability/(asset)	(33,930,000)	(21,127,000)
Net pension cost	**(5,704,000)**	**2,015,000**
Re-measurements recognised in other comprehensive income		
Experience gains	(190,415,000)	235,053,000
Total amount recognised in other comprehensive income	**(190,415,000)**	**235,053,000**
Reconciliation of opening and closing statement of financial position		
Defined benefit asset at prior year end	(661,900,000)	(409,058,000)
Net pension cost	(5,704,000)	2,015,000
Re-measurements recognised in other comprehensive income	190,415,000	(235,053,000)
Contributions paid	(24,681,000)	(19,804,000)
Closing defined benefit asset	**(501,870,000)**	**(661,900,000)**

	2023	2022	2021	2020	2019
	G$	G$	G$	G$	G$
Experience History					
Defined benefit obligation	630,590,000	514,350,000	439,092,000	366,527,000	343,584,000
Fair value of plan asset	(1,132,460,000)	(1,176,250,000)	(848,150,000)	(607,697,000)	(529,474,000)
Surplus	(501,870,000)	(661,900,000)	(409,058,000)	(241,170,000)	(185,890,000)
Experience adjustment on plan liabilities	66,781,000	35,457,000	35,840,000	(14,392,000)	3,423,000
Experience adjustment on plan assets	(123,634,000)	270,510,000	196,355,000	34,044,000	53,896,000

8. DEFINED BENEFIT ASSET CONT'D

Summary of Principal assumptions:	**2023 Per annum**	**2022 Per annum**
Principal actuarial assumptions used:	%	%
Discount rate	5	5
Rate of salary increases	5	5
Future pension increases	2	2
Life expectancy at age 60 for current pensioner in years		
Male	21.9	21.9
Female	26.2	26.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.8	22.7
Female	27.1	27.1

Sensitivity Analysis

The impact on profit of changes in the assumptions used	**1% pa increase $ million**	**1% pa increase $ million**
Discount rate	158,506,000	130,620,000
Future salary increases	(36,146,000)	(31,999,000)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2023 by $12,048,000.

9. CASH RESOURCES

	2023 G$	**2022 G$**
Cash in hand	1,903,042	2,230,403
Cash at banks	97,663,872	86,528,768
Government of Guyana IFAD project	-	443,745
IADB	-	4,599,958
	99,566,914	93,802,874

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. INVESTMENTS

(a) Bonds	425,997,999	387,194,806
These are made up as follows:		
Government bonds	37,580,734	34,091,060
Private entity bonds (unsecured)	388,417,265	353,103,746
	425,997,999	387,194,806
(b) Shares	25,842,928	-
These are made up as follows:		
Exchange Traded Funds	14,582,285	-
Equity Shares	11,260,643	-
	25,842,928	-
(c) Cash resources	47,293,782	46,026,026
Total investments	499,134,709	433,220,832

The bonds are assigned to Demerara Bank Limited as collateral for credit facilities. See note 16(iii-iv) for details.

11. LOANS RECEIVABLE

	2023 G$	2022 G$
Gross loans	4,156,273,779	4,110,977,670
Less impairment allowance (a)	(159,320,483)	(109,587,806)
	3,996,953,296	4,001,389,864
Non- current loans receivable	2,435,920,905	2,632,929,513
Current loans receivable	1,720,352,874	1,478,048,157
	4,156,273,779	4,110,977,670
Non-performing loans receivable	109,377,400	149,236,032
Performing loans receivable	4,046,896,379	3,961,741,638
	4,156,273,779	4,110,977,670

(a) Impairment allowances

Individually assessed impairment		
At 1 January	109,587,806	174,746,287
Provision for the year	83,541,295	10,886,651
Bad debts written off	(33,808,618)	(76,045,132)
At December 31	159,320,483	109,587,806

The undiscounted fair value of collateral that the Institute holds relating to loans individually determined to be impaired at December 31, 2023 amounted to $196M (2022: $253M). The collateral consists of cash, securities and properties.

Collateral realised
During the year, the Institute realised collateral amounting to $1,350,000 (2022: $6,482,556).

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings (i)	Right-of-use assets (ii)	Motor vehicles	Furniture, fixtures and fittings	Office machinery	Computer equipment	Work in progress	Total 2023
	G$	G$	G$	G$	G$	G$	G$	G$
Cost								
At 1 January 2023	286,616,416	63,767,196	96,403,750	75,124,143	70,231,465	110,813,614	35,403,073	738,359,657
Additions	50,408,589	-	-	2,593,171	1,683,269	5,901,344	67,748,875	128,335,248
Reclassification	-	-	-	-	125,400	(125,400)	-	-
Disposals	-	(6,065,805)	(4,302,183)	(6,691,294)	(384,704)	(2,895,683)	-	(20,339,669)
At 31 December 2023	337,025,005	57,701,391	92,101,567	71,026,020	71,655,430	113,693,875	103,151,948	846,355,236
Depreciation								
At 1 January 2023	60,824,054	21,686,577	63,181,868	45,264,525	55,574,556	105,453,100	-	351,984,680
Charge for the year	5,522,084	7,444,767	11,800,008	6,704,196	5,482,114	4,612,840	-	41,566,009
Reclassification Adjustment	-	-	-	-	125,400	(125,400)	-	-
Write back on disposals	-	(5,459,232)	(4,302,183)	(6,336,204)	(368,716)	(2,734,934)	-	(19,201,269)
At 31 December 2023	66,346,138	23,672,112	70,679,693	45,632,517	60,813,354	107,205,606	-	374,349,420
Net book values:								
At 31 December 2023	**270,678,867**	**34,029,279**	**21,421,874**	**25,393,503**	**10,842,076**	**6,488,269**	**103,151,948**	**472,005,816**

	Freehold land and buildings (i)	Right-of-use assets (ii)	Motor vehicles	Furniture, fixtures and fittings	Office machinery	Computer equipment	Work in progress	Total 2022
	G$	G$	G$	G$	G$	G$	G$	G$
Cost								
At 1 January 2022	272,111,481	57,278,537	82,870,750	58,968,874	62,119,979	108,642,377	-	641,991,998
Additions	17,451,135	11,674,921	23,000,000	15,290,687	8,201,486	5,564,923	35,403,073	116,586,225
Reclassification	(2,946,200)	-	-	2,946,200	-	-	-	-
Disposals	-	(5,186,262)	(9,467,000)	(2,081,619)	(90,000)	(3,393,686)	-	(20,218,567)
At 31 December 2022	286,616,416	63,767,196	96,403,750	75,124,142	70,231,465	110,813,614	35,403,073	738,359,656
Depreciation								
At 1 January 2022	55,800,404	18,435,001	65,286,378	39,430,656	49,186,996	100,626,467	-	328,765,902
Charge for the year	5,248,238	7,141,279	7,362,490	7,690,900	6,477,560	7,757,659	-	41,678,126
Reclassification Adjustment	(224,588)	-	-	224,588	-	-	-	-
Write back on disposals	-	(3,889,703)	(9,467,000)	(2,081,619)	(90,000)	(2,931,026)	-	(18,459,348)
At 31 December 2022	60,824,054	21,686,577	63,181,868	45,264,525	55,574,556	105,453,100	-	351,984,680
Net book values:								
At 31 December 2022	**225,792,362**	**42,080,619**	**33,221,882**	**29,859,617**	**14,656,909**	**5,360,514**	**35,403,073**	**386,374,976**

(i) Certain land and buildings are held as security for the loan from Demerara Bank Limited. See note 16 for details.

(ii) Refer to note 17(iv) for details of lease agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Judgement obtained

During the year, the Institute obtained judgement from the high court amounting to $43,359,739 (2022: $9,492,858).

13. INTANGIBLE ASSETS

	2023	2022
Cost	G$	G$
At 1 January	25,063,887	25,546,927
Additions	969,912	-
Disposal	-	(483,040)
As at 31 December	26,033,799	25,063,887
Amortisation		
At 1 January	21,068,609	16,670,924
Charges for the year	3,811,430	4,830,530
Write back on disposal	-	(432,845)
As at 31 December	24,880,039	21,068,609
Net book value:		
As at 31 December	1,153,760	3,995,278

The intangible assets represent payments for the development and improvements of the Institute's website and other Management Information System software, this is being amortised over a period of four years.

14. OTHER ASSETS

	2023	2022
	G$	G$
Prepayments	18,973,476	20,052,186
Inventory	2,315,167	2,472,969
Others	6,327,377	5,697,660
	27,616,020	28,222,815

15. EQUITY

(a) Capital Donations

	2023	2022
	G$	G$
Donations at 31 December	256,497,733	256,497,733

(i) Capital donations received were used to extend credit to micro enterprises for the purpose of providing support to increase the productivity and employment generation of the micro enterprise sector. These donations are not repayable to the donor agencies.

(ii) The Institute currently has 10 Members all of whom have equal voting rights. Members are not entitled to any distribution of surpluses.

(b) Other Reserve

	2023	2022
	G$	G$
Other reserve at 31 December	6,804,237	-

The other reserve represents the fair value adjustment arising from changes in the fair value of equity investments. This adjustments was recognised through OCI to reflect the Institute's equity investment portfolio's fair value changes that are not realised through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

16. **LOANS PAYABLE**		**Amount Committed**	**2023** G$	**2022** G$
(i) IADB	SFR	375,000	3,362,167	4,202,709
(ii) IADB	USD	800,000	-	11,657,141
(iii) Demerara Bank Limited	GYD	410,000,000	307,258,593	329,602,922
(iv) Demerara Bank Limited	GYD	100,000,000	91,932,672	27,906,362
			402,553,432	373,369,134
Repayments due within one year			28,825,369	42,908,032
Repayments due within two to five years			135,447,633	125,598,286
Repayments due after five years			238,280,430	204,862,816
			373,728,063	330,461,102
			402,553,432	373,369,134

(i) Inter-American Development Bank loan of 375,000 Swiss Francs was fully drawn down as at December 31, 1993. The loan is repayable not later than January 16, 2028 by 60 semi-annual consecutive payments, and as far as possible equal installments beginning on July 16, 1998.

Commission of 1% is payable semi annually on January 16 and July 16 each year beginning 6 months after the disbursements of the loan. The term of the IADB/IPED agreement require that this loan is repayable in Guyana dollars at the rate of exchange agreed by the Bank of Guyana at the date of disbursement.

(ii) A loan of USD$800,000 was approved for the Institute by the Inter-American Development Bank, and as of December 31, 2020, USD200,000 was drawn down. The loan is repayable not later than September 5, 2023 by 7 semi-annual consecutive payments and, if possible, equal installments commencing on September 5, 2020. This was fully repaid on July 14, 2023.

(iii) Demerara Bank Limited approved a loan of GYD$410,000,000 and as of December 31, 2020, GYD$410,000,000 was fully drawn down. This loan is repayable over 180 equal monthly installments of GYD$3,460,000 commencing February 7, 2019 and matures on January 7, 2033. Interest shall accrue at a rate of 6% per annum.

(iv) Demerara Bank Limited approved a loan of GYD$100,000,000 and as of April 19, 2023 GYD$100,000,000 was fully drawn down. This loan is repayable over 180 equal monthly installments of GYD$844,000 commencing October 7, 2022 and matures on September 7, 2037. Interest shall accrue at a rate of 6% per annum.

The DBL loans are secured by Investment Bonds (US$1.58m), money market account (G$16.2m) and the following five (5) properties in the name of the Institute (G$745.3m based on market valuation).

Property at West Half of 253 South Road, Bourda, Georgetown.

Property at East Half of Lot 253 South Road, Bourda, Georgetown.

Property at Area “T” being a portion of Plantation Port Mourant, Corentyne, Berbice. Property situated at Lot 54 part of front lands of Anna Regina, Cotton Field, Essequibo Coast.

Property situated at Lot 71 part of front lands of Anna Regina, Cotton Field, Essequibo Coast

17. OTHER LIABILITIES

	2023 G$	2022 G$
Bank overdraft	562,116,358	713,107,031
Accruals	42,489,653	40,113,098
Collateral improvement scheme (i)	82,763,681	87,448,632
Internal indemnity fund (ii)	17,844,098	17,739,242
Government of Guyana IFAD Project (iii)	41,515,409	41,515,409
Lease payable (iv)	37,591,936	45,643,710
Related Party - GYBT	5,881,445	4,908,109
Miscellaneous	19,933,837	17,311,925
	810,136,417	967,787,156

(i) This represents cash collateral held for loans issued and will be refunded when customers repay their loans.

At 1 January	87,448,632	90,997,783
Decrease during the year	(4,684,951)	(3,549,151)
At 31 December	82,763,681	87,448,632

(ii) The Institute has an Internal Indemnity Fund for all clients, all risk is absorbed by the Institute through this fund.

(iii) This is a revolving fund managed on behalf of the Government of Guyana for the Rural Enterprise and Agricultural Development Project, of this $0 (2022 - $2,567,819) is outstanding as loans receivable and the remainder of $41,515,409 (2022 - $38,937,590) is cash resources available for lending.

(iv) Lease Payable

	2023 G$	2022 G$
Guyana Lands & Surveys Commission - Lease	17,257,325	17,355,977
Payable Private Individuals - Lease Payable	20,334,611	28,287,733
	37,591,936	45,643,710
Repayments due within one year	7,080,000	10,790,400
Repayments due within two to five years	21,640,000	25,480,000
Repayments due after five years	41,740,000	44,980,000
	63,380,000	70,460,000
Less: Future finance charges		
Due within one year	(2,255,516)	(2,738,631)
Due within two to five years	(6,200,845)	(7,292,117)
Due after five years	(24,411,703)	(25,575,942)
	(32,868,064)	(35,606,690)
Present Value of Lease Obligations	**37,591,936**	**45,643,710**

This includes three lease agreements between the Institute of Private Enterprise Development Limited and the Lands and Surveys Commission and eight lease agreements between the Institute and private individuals.

Lot 208, Lethem, Right Bank Takutu River In the Rupununi Savannahs. This is a lease for 50 years and was entered into on November 17, 2014 and has an annual rental (revised in January 2019) of GYD 240,000 payable in advance. This rental is due for revision every 3 years. All other terms and conditions are included in the lease agreement No. A-25501.

17. OTHER LIABILITIES CONT'D

Parcel 265, Port Kaituma, Right Bank of the Kaituma River. This is a lease for 50 years and was entered into on October 8, 2014 and has an annual rental (revised in January 2019) of GYD 450,000 payable in advance. This rental is due for revision every 3 years. All other terms and conditions are included in the lease agreement No. A-25491.

Lot 97, Aranaputa Valley, Left Bank Rupununi River. This is a lease for 50 years and was entered into on November 17, 2015 and has an annual rental (revised in January 2019) of GYD 450,000 payable in advance. This rental is due for revision every 3 years. At the end of the lease term, IPED has the option to renew the lease for a further term of 50 years. All other terms and conditions are included in the lease agreement No. A-25125.

Lot 55 'B' Rosignol Village, West Bank Berbice. This is a lease for 2 years which was renewed on December 1, 2020 and has a monthly rental of GYD 120,000 payable in advance. This rental is due for revision 2 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated December 1, 2020. This lease was terminated as of June 30, 2023.

Lot 23 Republic Avenue, Linden, Demerara River. This is a lease for 1 year which was renewed on April 1, 2022 and has a monthly rental of GYD 34,200 payable in advance. This rental is due for revision 3 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated April 1, 2022.

Lot 29 'B' Stelling Road, Vreed-en-Hoop, West Coast Demerara. This is a lease for 5 years which was renewed effective on October 1, 2017 and has a monthly rental of GYD 102,600 payable in advance. This rental is due for revision 3 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated September 21, 2017. This lease expired August 21, 2022 and was not renewed.

Lot 25 Springlands, Corriverton, Corentyne, Berbice. This is a lease for 5 years which was renewed effective on November 1, 2020 and has a monthly rental of GYD 80,000 payable in advance. This rental is due for revision 1 month prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated October 31, 2020.

Port Kaituma Public Road, Region One. This is a lease for 2 years which was renewed on December 1, 2022 and has a monthly rental of GYD 80,000 payable in advance. This rental is due for revision 2 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated November 30, 2022.

Stall #25, Lot 110 Charity Public Road, Essequibo Coast. This is a lease for 1 year which was renewed on July 1, 2022 and has a monthly rental of GYD 45,000 payable in advance. This rental is due for revision at a mutually decided time prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated July 1, 2022.

Lot 161 Lusignan Public Road, East Coast Demerara. This is a lease for 10 years which was entered into on May 1, 2019 and has a monthly rental of GYD 175,000 payable in advance. This rental is due for revision 2 years after the commencement of the contract. All other terms and conditions are included in the lease agreement dated May 1, 2019.

Lethem, Rupununi. This is a lease dating back to October 1, 2003 and has a monthly rental of GYD 30,000 payable in arrears.

Lot "C" Klein Pouderoyen, West Coast Demerara. This is a lease for 5 years commencing September 1, 2022 and has a monthly rental of GYD 140,000 payable in advance. This rental is due for revision 3 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated September 1, 2022.

Market Tarmac, Kumaka Stretch, Mabaruma. This is a lease for 4 years commencing October 28, 2022 and has a monthly rental of GYD 100,000 payable in advance. This rental is due for revision 1 month prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated November 1, 2022.

Refer to note 12 for details of the carrying value of the leased assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

18. RELATED PARTIES

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

Listed below are transactions and balances with related parties:

(i) Compensation for key management personnel

The company's key management personnel were 6 (2022 - 7)	**2023**	**2022**
The remuneration paid to key management personnel during the year was as follows:	G$	G$
Short term employee benefits	67,370,796	65,343,615
Post-employment benefits	8,564,071	7,537,387
	75,934,867	72,881,002

(ii) Other information

The following balances and transactions were held with entities which share common chairmanship and directors.

Trust Company Guyana Limited	Investment account	499,134,709	433,220,833
	Interest Income	28,874,084	22,805,849
	Investments fees paid	1,438,641	1,383,879
Demerara Bank Limited	Deposit accounts	44,534,663	48,493,548
	Overdraft	562,116,358	713,107,031
	Interest on overdraft	29,956,800	15,752,272
	Loan	399,191,265	357,509,284
	Loan Repayment	28,318,018	260,230,930
	Interest on loans	23,329,982	28,478,192
Guyana Youth Business Trust.	Payables	5,881,445	4,908,109
Diamond Fire General Insurance	Insurance Payments	3,767,685	6,142,755

Loans to key management personnel

	2023	**2022**
	G$	**G$**
Balance at end of year	678,719	750,537

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

2023	Financial assets and liabilities at fair value G$	Financial assets and liabilities at amortised cost G$	Total G$
Assets			
Investments	25,842,928	473,291,781	499,134,709
Loans receivable	-	3,996,953,296	3,996,953,296
Other receivables and prepayments	-	25,300,853	25,300,853
Cash resources	-	99,566,914	99,566,914
Total Assets	25,842,928	4,595,112,844	4,620,955,772
Liabilities			
Loans payable	-	402,553,432	402,553,432
Lease payable	-	37,591,936	37,591,936
Other payables	-	167,938,470	167,938,470
Accruals	-	42,489,653	42,489,653
Bank Overdraft (secured)	-	562,116,358	562,116,358
Total Liabilities	-	1,212,689,849	1,212,689,849

2022	Financial assets and liabilities at amortised cost G$	Total G$
Assets		
Investments	433,220,832	433,220,832
Loans receivable	4,001,389,864	4,001,389,864
Other receivables and prepayments	25,749,846	25,749,846
Cash resources	93,802,874	93,802,874
Total Assets	4,554,163,416	4,554,163,416
Liabilities		
Loans payable	373,369,134	373,369,134
Lease payable	45,643,710	45,643,710
Other payables	168,923,318	168,923,318
Accruals	40,113,098	40,113,098
Bank Overdraft (secured)	713,107,031	713,107,031
Total Liabilities	1,341,156,291	1,341,156,291

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. FINANCIAL RISK

MANAGEMENT 20.1 Objectives

Risk is inherent in the Institute's activities but is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. The process of risk management is critical to the Institute's continued growth and performance. The Institute is exposed to liquidity risk, credit risk, operating risk and market risk.

20.2 Risk Management Structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent Sub-Committees responsible for managing and monitoring risk.

20.3 Board credit and investment committee

This committee is comprised of six (6) Non-Executive Directors. The committee is responsible for the approval of all credits and investments over limits delegated to management. The committee also reviews the amount, nature, risk characteristics and concentration of the Institute's credit and investment portfolio and ensures appropriate responses to changing conditions.

20.4 Internal audit

Risk management processes throughout the Institute are audited by the internal audit function that examines both the adequacy of the procedures and the Institute's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Board's Audit Committee.

20.5 Risk measurement and reporting systems

The Institute's risks are measured using methods which reflect the expected loss likely to arise in normal circumstances.

Monitoring and controlling risks is primarily performed based on limits established by the Board. These limits reflect the business strategy and market environment of the Institute as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries and geographies.

Information compiled from all the business units is examined and processed in order to analyze, control and identify risks early. This information which consists of several reports is presented and explained to the Board of Directors and Board Committees on a monthly basis.

(a) Market risk

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

(i) Interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period was in existence throughout the whole year. A 2.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

20. FINANCIAL RISK MANAGEMENT CONT'D

(a) Market risk cont'd

(i) Interest rate sensitivity analysis cont'd

If interest rates had been 2.5% higher/lower and all other variables were held constant, the Institute's surplus for the year ended 31 December 2023 would increase/decrease by G$26,605,918 (2022: G$29,506,976).

The Institute's sensitivity to interest rates has increased during the current period mainly due to the increase in borrowings.

The Institute's investments are not subject to interest rate sensitivity since they are held to maturity at a fixed rate of interest.

(ii) Interest rate risk

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

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

		Maturing 31.12.2023						
	Interest rate range	Within 1 year						
		On Demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	Over 5 years	Non-interest bearing	Total
	%	G$	G$	G$	G$	G$	G$	G$
Assets								
Investments	0%-10%	73,136,710	-	-	-	425,997,999	-	499,134,709
Loans receivable	0%-52%	157,465,405	250,390,498	1,101,610,796	2,131,374,337	356,112,260	-	3,996,953,296
Other receivables and prepayments		-	-	-	-	-	25,300,853	25,300,853
Cash resources	0%-2%	97,663,872	-	-	-	-	1,903,042	99,566,914
		328,265,987	250,390,498	1,101,610,796	2,131,374,337	782,110,259	27,203,895	4,620,955,772
Liabilities								
Loans payable	1%-6%	-	-	28,825,369	135,447,633	238,280,430	-	402,553,432
Lease payable	1%-6%	-	-	4,824,484	15,439,155	17,328,297	-	37,591,936
Other payables and accruals		-	-	-	-	-	210,428,123	210,428,123
Bank overdraft (secured)	6%	562,116,358	-	-	-	-	-	562,116,358
		562,116,358	-	33,649,853	150,886,788	255,608,727	210,428,123	1,212,689,849
Interest Sensitivity Gap		(233,850,371)	250,390,498	1,067,960,943	1,980,487,549	526,501,532	(183,224,228)	3,408,265,923

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. FINANCIAL RISK MANAGEMENT CONT'D

(a) Market risk cont'd

(ii) Interest rate risk cont'd

		Maturing 31.12.2022						
	Interest rate range		Within 1 year					
		On Demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	Over 5 years	Non-interest bearing	Total
	%	G$	G$	G$	G$	G$	G$	G$
Assets								
Investments	0%-10%	46,026,026	-	-	-	387,194,806	-	433,220,832
Loans receivable	0%-52%	148,508,173	334,740,448	932,226,168	2,077,076,110	508,838,965	-	4,001,389,864
Other receivables and prepayments		-	-	-	-	-	25,749,846	25,749,846
Cash resources	0%-2%	91,572,471	-	-	-	-	2,230,403	93,802,874
		286,106,670	334,740,448	932,226,168	2,077,076,110	896,033,771	27,980,249	4,554,163,416
Liabilities								
Loans payable	1%-6%	-	-	42,908,032	125,598,286	204,862,816	-	373,369,134
Lease payable	1%-6%	-	-	8,051,769	18,187,883	19,404,058	-	45,643,710
Other payables and accruals		-	-	-	-	-	209,036,415	209,036,415
Bank overdraft (secured)	6%	713,107,031	-	-	-	-	-	713,107,031
		713,107,031	-	50,959,801	143,786,169	224,266,874	209,036,415	1,341,156,290
Interest Sensitivity Gap		(427,000,361)	334,740,448	881,266,367	1,933,289,941	671,766,897	(181,056,166)	3,213,007,126

20. FINANCIAL RISK MANAGEMENT CONT'D

(a) Market risk cont'd

(iii) Foreign currency risk

The Institute is exposed to foreign currency risk due to fluctuations in exchange rates on balances that are denominated in foreign currencies.

The financial statements at 31 December include the following assets and liabilities denominated in foreign currencies stated in the Guyana Dollar equivalent.

	United States dollars G$	Canadian dollars G$
2023		
Assets	614,944,703	561,354
Net assets	614,944,703	561,354
2022		
Assets	440,465,226	549,366
Net assets	440,465,226	549,366

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 2.5% increase and decrease in the Guyana dollar against balances denominated in foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A positive number indicates an increase in surplus/deficit where foreign currencies strengthens 2.5% against the G$. For a 2.5% weakening of the foreign currencies against G$ there would be an equal and opposite impact on the profit, and the balances below would be negative.

	2023 G$	2022 G$
Surplus:		
Canadian Dollars	14,034	13,734
United States Dollars	15,373,618	11,011,631

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. FINANCIAL RISK MANAGEMENT CONT'D

(b) Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in raising funds to meet its commitments associated with financial instruments.The Institute manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of liabilities by maturity:

	Maturing 31.12.2023					
	Within 1 year					
	On Demand G$	Due in 3 mths G$	Due 3 - 12 mths G$	2 to 5 years G$	Over 5 years G$	Total G$
Liabilities						
Loans payable	-	-	28,825,369	135,447,633	238,280,430	402,553,432
Lease payable	-	-	4,824,484	15,439,155	17,328,297	37,591,936
Other payables and accruals	210,428,123	-	-	-	-	210,428,123
Bank overdraft (secured)	562,116,358	-	-	-	-	562,116,358
	772,544,481	-	33,649,853	150,886,788	255,608,727	1,212,689,849

	Maturing 31.12.2022					
	Within 1 year					
	On Demand G$	Due in 3 mths G$	Due 3 - 12 mths G$	2 to 5 years G$	Over 5 years G$	Total G$
Liabilities						
Loans payable	-	-	42,908,032	125,598,286	204,862,816	373,369,134
Lease payable	-	-	8,051,769	18,187,883	19,404,058	45,643,710
Other payables and accruals	209,036,415	-	-	-	-	209,036,415
Bank overdraft (secured)	713,107,031	-	-	-	-	713,107,031
	922,143,446	-	50,959,801	143,786,169	224,266,874	1,341,156,290

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. FINANCIAL RISK MANAGEMENT CONT'D

(c) Credit risk

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

	2023	2022
Gross maximum exposure:	**G$**	**G$**
Investments	499,134,709	433,220,832
Loans receivable	3,996,953,296	4,001,389,864
Other receivables	6,327,377	5,697,660
Cash resources	97,663,872	91,572,471
Total credit risk exposure	4,600,079,254	4,531,880,827

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

Collateral and other enhancements

The Institute maintains credit risk exposure within acceptable parameters through the use of collateral as a risk-mitigation tool for certain types of loans. The amounts and type of collateral required depends on an assessment of the credit risk of the counterparty. Our small loan facility uses mortgages on real estate and Bill of sales on motor vehicles and field equipments while Micro loan facility uses Bill of sales on household assets.

The main types of collateral obtained are cash or securities, charges over real estate properties, inventory and trade receivables and mortgages over residential properties.

Management monitors the market value of collateral, request additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is the Institute's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to repay the outstanding claim. In general, the Institute does not occupy repossessed properties for business use.

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

(i) Geographical sectors

The Institute's maximum credit exposure, after taking account of credit loss provisions established but before taking into account any collateral held and other credit enhancements, can be analysed by the following geographical sectors based on the country of domicile of our counterparties:

	2023	2022
	G$	**G$**
Guyana	4,101,069,170	4,098,784,618
Regional	37,580,734	34,091,060
International	461,429,350	399,005,149
	4,600,079,254	4,531,880,827

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. FINANCIAL RISK MANAGEMENT CONT'D

(c) Credit risk cont'd

(ii) Industry sectors

The following table breaks down the Institute's maximum credit exposure as categorised by the industry sectors of our counterparties:

	2023 G$	2022 G$
Government and government bodies	37,580,734	34,091,060
Financial sector	565,545,224	496,399,903
	603,125,958	530,490,963
Loans Receivable		
Fishing	73,522,180	86,273,591
Hospitality - Food & Beverage	121,939,588	128,958,716
Livestocks	152,956,088	145,869,966
Logging & Lumber	108,309,773	125,908,108
Manufacturing	142,443,855	133,880,284
Other Crops	219,886,517	198,943,145
Others	173,549,474	197,481,649
Poultry	138,456,864	137,289,519
Retail Trade	995,929,884	1,152,232,907
Rice	1,091,746,478	1,058,083,478
Services	420,376,424	412,346,920
Transportation	517,156,654	333,709,387
Gross Loans Receivable	4,156,273,779	4,110,977,670
Less: Allowance for impairment	(159,320,483)	(109,587,806)
Net Loans Receivable	3,996,953,296	4,001,389,864
	4,600,079,254	4,531,880,827

Analysis of IFRS 9 expected credit losses by sector:

Facility	2023 G$	2022 G$
Fishing	1,859,006	825,620
Hospitality - Food & Beverage	8,755,817	5,858,375
Livestocks	5,734,085	3,868,750
Logging & Lumber	549,254	110,846
Manufacturing	3,714,631	3,305,951
Other Crops	11,111,365	5,880,988
Others	4,981,351	6,446,044
Poultry	12,834,202	7,131,983
Retail Trade	59,209,133	49,697,384
Rice	19,831,920	4,523,377
Services	22,637,853	17,498,230
Transportation	8,101,866	4,440,258
	159,320,483	109,587,806

20. FINANCIAL RISK MANAGEMENT CONT'D

(c) Credit risk cont'd

Investments-bonds

The debt securities within the Institute's investments security portfolio are exposed to credit risk. The credit quality of each individual security is internally assessed based on the financial strength, reputation and market position of the issuing company and the ability of that company to service the debt. The level of credit risk thus assessed and associated with the security is assigned to a risk premium. These premiums are defined as follows:

Superior: Government and Government Guaranteed securities and securities secured by a letter of comfort from the Government. These securities are considered risk free.

Desirable: Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has good financial strength and reputation.

Acceptable: Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has fair financial strength and reputation.

Sub-standard: These securities are either more than 90 days in arrears but are not considered impaired, or have been restructured in the past financial year.

The table below illustrates the credit quality of debt and equity investments as at December 31:

Financial Investments: Amortized Cost and Fair Value	Superior G$	Desirable G$	Acceptable G$	Sub-standard G$	Total G$
2023	19,199,500	461,553,975	-	18,381,234	499,134,709
2022	19,195,935	399,129,772	-	14,895,125	433,220,832

Loans receivable

The credit quality of loans receivable and advances is internally determined from an assessment of the counterparty based on a combination of factors. These include the level and strength of experience of management, the track record and level of supervision required for the existing facilities of the company, the financial and leverage position of the borrower, the estimated continued profitability of the borrower and the ability of that borrower to service its debts, the stability of the industry within which the company operates and the competitive advantage held by the borrower in the market. The overall level of risk thus assessed is assigned a credit score which indicates the overall quality of the borrower. The quality of the borrower that are neither past due nor impaired are defined as follows:

Superior: These counterparties have strong financial position. Facilities are well secured, and business has proven track record.

Desirable: These counterparties have good financial position. Facilities are reasonably secured, and underlying business is performing well.

Acceptable: These counterparties are of average risk with a fair financial position. Business may be new or industry may be subject to more volatility, and facilities typically have lower levels of security.

Sub-standard: Past due or individually impaired.

20. FINANCIAL RISK MANAGEMENT CONT'D
(c) Credit risk cont'd
Loans receivable cont'd

The table below illustrates the credit quality of loans receivable as at December 31:

	Neither past due nor impaired				
	Superior G$	Desirable G$	Acceptable G$	Sub-standard G$	Total G$
2023	3,272,508,512	586,721,540	35,596,719	102,126,525	3,996,953,296
2022	3,276,713,350	514,956,683	71,151,338	138,568,493	4,001,389,864

Loans receivable

2023	Principal G$	Exposure G$	Provision G$
Current - stage 1	3,305,684,140	1,175,097,410	33,175,629
Past due but not impaired - stage 2	689,598,106	269,052,159	67,279,847
Impaired - stage 3	160,991,533	58,865,007	58,865,007
	4,156,273,779	1,503,014,576	159,320,483

2022	Principal G$	Exposure G$	Provision G$
Current - stage 1	3,309,272,949	988,855,789	32,559,599
Past due but not impaired - stage 2	626,149,475	181,449,828	40,041,454
Impaired - stage 3	175,555,246	36,986,753	36,986,753
	4,110,977,670	1,207,292,370	109,587,806

Ageing of receivables that are past due but not impaired

2023	Principal G$	Exposure G$	Provision G$
1-30 days	478,524,756	169,804,109	13,555,959
31-90 days	141,567,894	64,498,467	19,815,151
91-180 days	69,505,456	34,749,583	33,908,737
Total	689,598,106	269,052,159	67,279,847

2022	Principal G$	Exposure G$	Provision G$
1-30 days	469,518,074	137,990,417	14,520,592
31-90 days	69,150,761	29,306,027	9,191,560
91-180 days	87,480,640	14,153,384	16,329,302
Total	626,149,475	181,449,828	40,041,454

While the foregoing is past due they are still considered to be collectible in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. FINANCIAL RISK MANAGEMENT CONT'D

(c) Credit risk cont'd

Ageing of impaired receivables

2023	**Principal G$**	**Exposure G$**	**Provision G$**
31-90 days	-	-	-
91-180 days	-	-	-
181-365 days	51,614,133	33,844,019	33,844,019
over 365 days	109,377,400	25,020,988	25,020,988
	160,991,533	58,865,007	58,865,007
2022			
31-90 days	-	-	-
91-180 days	-	-	-
181-365 days	26,319,214	13,070,846	13,070,846
over 365 days	149,236,032	23,915,907	23,915,907
	175,555,246	36,986,753	36,986,753

Cash resources

The credit quality of balances due from other banks is assessed by the bank according to the level of creditworthiness of the institution. The credit quality of these balances has been analysed into the following categories:

Superior: These institutions have been accorded the highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is extremely strong.

Desirable: These institutions have been accorded the second-highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is very strong.

Acceptable: These institutions have been accorded the third-highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is adequate.

The table below illustrates the credit quality of cash resources due from banks as at December 31:

	Superior G$	**Desirable G$**	**Acceptable G$**	**Total G$**
2023	97,663,872	-	-	97,663,872
2022	91,572,471	-	-	91,572,471

(d) Operational risk

Operational risk is inherent to all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omission, disasters and deliberate acts such as fraud.

The Institute recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Institute's operational risk committee oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

21. Fair value of financial instruments

Fair value is defined as 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.

IFRS 13 requires fair value of assets and liabilities to be determined based on the following

hierarchy: Level 1- quoted prices (unadjusted) in active markets for identical assets and liabilities.

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

Level 3- inputs for the asset or liability that are not based on observable market data (that is,

unobservable inputs). Fair values have been determined as follows:

		2023		2022	
Assets	**IFRS 13 Level**	**Carrying value G$**	**Market Value G$**	**Carrying value G$**	**Market Value G$**
Cash resources	1	99,566,914	99,566,914	93,802,874	93,802,874
Investments	2	499,134,709	613,354,423	433,220,832	435,784,345
Loans receivable	3	3,996,953,296	3,996,953,296	4,001,389,864	4,001,389,864
Property, plant and equipment	3	472,005,816	472,005,816	386,374,976	386,374,976
Intangible asset	3	1,153,760	1,153,760	3,995,278	3,995,278
Other assets	3	25,300,853	25,300,853	25,749,846	25,749,846
		5,094,115,348	5,208,335,062	4,944,533,670	4,947,097,183
Liabilities					
Loans payable	2	402,553,432	402,553,432	373,369,134	373,369,134
Other payables and accruals	3	210,428,123	210,428,123	209,036,415	209,036,415
Bank overdraft (secured)	1	562,116,358	562,116,358	713,107,031	713,107,031
		1,175,097,913	1,175,097,913	1,295,512,580	1,295,512,580

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

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

(a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets were determined with reference to quoted market prices. Quoted market prices were obtained from independent market.

(b) The fair value of loans receivables were determined in accordance with the Institute's past experience with delinquent loans and have taken into account probability of defaults.

(c) Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Management determines depreciation rates sufficient to write off the costs of assets over their estimated useful lives

(d) Assets and liabilities where the carrying amounts are equal to fair value due to their short-term maturity, the carrying value of certain assets and liabilities approximates their fair value. These include cash resources, other assets, other payables and accruals and bank overdraft.

(e) Loans and lease payable are fixed by contract and directors estimate there is no difference between the carrying amount and fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

22. Pending Litigation

The Institute is a party to several legal actions in relation to loans which are currently before the Court, the outcome of which cannot be determined at this stage.

23. Capital Commitments

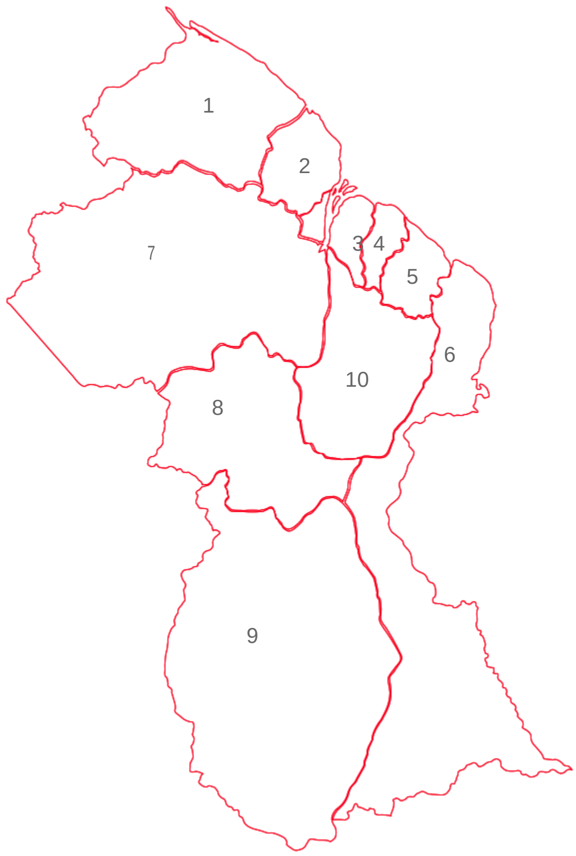
	2023 G$	2022 G$
Contracted for but not received	90,660,497	59,010,000

24. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorised for issue on January 16, 2024.

IPED is a not for profit, tax exempt, non-governmental organization recognized as an Institution of national character providing finance and advisory services to micro and small business entrepreneurs in Guyana.

Map of Guyana: Number of Enterprises per Regions



251	1 BARIMA - WAINI
1,260	2 POMEROON - SUPENAAM
557	3 ESSEQUIBO ISLANDS - WEST DEMERARA
826	4 DEMERARA - MAHAICA
1,314	5 MAHAICA - BERBICE
362	6 EAST BERBICE - CORENTYNE
47	7 CUYUNI - MAZARUNI
24	8 POTARO - SIPARUNI
100	9 UPPER TAKUTU - ESSEQUIBO
140	10 UPPER DEMERARA - UPPER BERBICE

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