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## INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT annual report 2004



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LOT 54 Cotton Field, Essequibo Coast (Region 2)



LOT 1 Port Mourant, Corentyne, Berbice (Region 6)



LOT 312 Parika, East Bank Essequibo. (Region 3)



LOT 11 D' Edward Village, West Bank Berbice. (Region 5)



Lethem Rupununi (Region 9)

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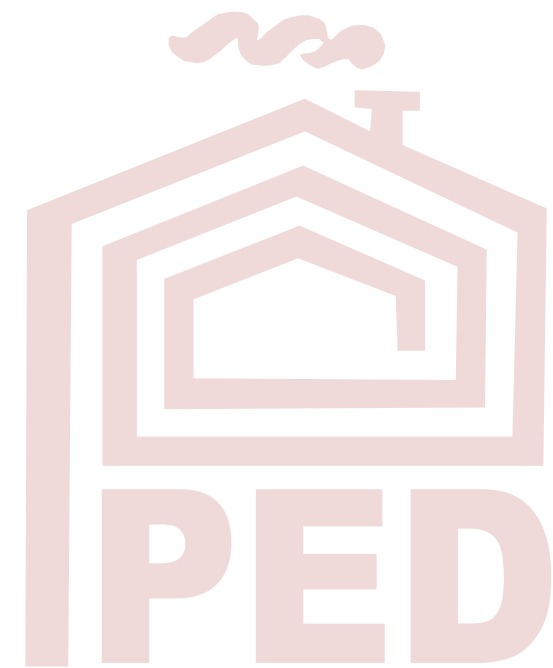
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## Mission Statement



To promote the growth and development of economic activities designed to improve the social and economic welfare of the people of Guyana through the provision of business guidance, technical assistance and non-traditional credit facilities to micro, small and medium sized entrepreneurs.

## Goals



To develop a national culture of entrepreneurship.



To provide technical and managerial support services through training and counselling to all loan beneficiaries.



To provide timely financing to micro, small and medium sized businesses in all geographical areas to enhance their production potential to supply both local and foreign markets.



The network with organisations providing complementary support services to communities in order to effectively develop micro entrepreneurs throughout Guyana.

### WORKSHOP:

Sundrie Parmanand  
Sparta

Jeremiah Latchman  
Huist Dieren

Deokaran Persaud  
30 La Grange  
Tel: 263-5058

Mangal Holiday  
16 Goed Fortuin  
Tel: 263 - 9448

### MANUFACTURING:

Chait Lall  
Queenstown, Essequibo.

Roseanna Harka  
Adventure, Essequibo.

Vishwanauth Doodnauth  
Sparta, Essequibo.

Clyde Corbin  
125 Bagotville, W.B.D.  
Tel: 263-5573

Oswin Fiedtkou  
Good Hope, Essequibo.

Kamroon Nesha  
24 Depot Street, Pouderoyen W. B. D.

### JEWELLERY:

Gendalall Harry  
63 La Grange  
Tel: 263-5100

### PRIVATE SCHOOL:

Carlos Hamilton  
272 Pin Hope, W. C. B.  
328 - 7600

### LUMBERYARD:

Muhammed Reasat  
Auchlyne Estate, Berbice.

### CROPS & LIVESTOCK:

Ramba Boodhoo  
# 65 Village

Tameshwar Persaud  
5 Geneive, Canal No 1.  
Tel: 618 - 2572

Michael Trotman  
26 Geneive, Canal No. 1  
Tel: 263 - 5836

Prittupaul  
5 Resource, Canal No. 2  
Tel: 626 - 5654

Ramzan Shaw  
7 Good Hope, Canal Canal No. 1

Wayne Smith  
La Belle Alliance, Essequibo.

Tameshwar Hiralall  
Lot 'A' Bordeaux, Canal No 1 W.B.D.

### SERVICES:

WesleySam  
8 Goed Fortuin, W. B. D.  
Tel: 264 - 2211

Remain Blackman  
Queenstown, Essequibo

Ramdat Persaud  
29 Parika  
Tel: 260-4331

Samuel Morrison  
Suddie, Essequibo

### FISHING:

Narendra Lucknauth  
Sparta, Essequibo Coast.

Pooran Singh  
5 Unity, Lancaster, E. C. D.  
Tel: 259 - 3038

Ousan Persaud  
16 Good Hope, E.B.E.  
Tel: 260 -0425

### VENDING OF GARMENTS:

Dianne Khan  
New Amsterdam

Chandroutie Imamudeen  
Charity  
Tel: 616-1815

Indradai Depoo  
John's Settlement, Port Mourant.

### VENDING OF POULTRY MEAT AND SUPPLIES:

Sooknarine Singh  
La Belle Alliance, Essequibo Coast.  
Tel: 771 - 4095

Bhagmattie Gowkarran  
13 Studley Park, Canal No. 1  
Tel: 629 - 6497

Rameshwar Sewdyl  
991 Alliance, Canal No. 1  
Tel: 616 - 8629

Beverly A. Klass  
Parika Outfall, E. B. E.  
Tel: 260 - 4144

### VENDING OF GROCERY:

Jean Lindore  
Grant Try Again, Pomeroun River.

Alim Bacchus  
4 Golden Fleece, W. C. B.  
Tel: 614 - 8478

Charles Seymour  
32 El Dorado, W. C. B.

### VENDING OF FRUIT & FRUIT JUICES:

Nateram Ramnanan  
Charity, Essequibo  
Tel: 771 - 4093

Rajkumar Singh  
18 Parika, Essequibo.  
Tel: 260 - 4353

### VARIETY STORE:

Vivienne Watson  
Huntley Mahaicony  
Tel: 221 - 2089

Kumar  
54 Virginia, Cane Grove  
Tel: 617 - 6909

Merlene Osborne  
13 Stanleytown, W. B. D.  
Tel: 263 - 7123

Rachael Bidur  
Vreed-En-Hoop  
Tel: 619 - 5886

Deonarine Singh  
16 Noitgedacht, Canal No. 1  
Tel: 263-5999

Roy Bennett  
298 Goed Intent, W. B. D.  
Tel: 267 - 2223

Bridgette Daniels  
62 Parika, E. B. D.  
Tel: 260 - 4351

### GENERAL STORE:

Nowshere Takey  
34 Section 'A' # 54 Village

Esau Takie  
# 57 Village, Corentyne.

Latchman Ramsundar  
108 Section'A', #65 Village

Hiraman Raghunandan  
24 Clay Brick Road, Canal No. 2  
Tel: 263 - 5701

## Notice of Meeting

The nineteenth Annual General Meeting of the Institute of Private Enterprise Development Limited will be held on Monday 5th December, 2005 at the Institute's Head Office at 253 South Road, Bourda, Georgetown, at 10:00am.

### Agenda

1. Chairman's review of the Institute for the year 2004.
2. To receive and consider the Institute's Accounts and Reports of the Directors and Auditors for the year 2004.
3. To elect Directors in the place of those retiring by rotation.
4. To appoint Auditors and authorise the Directors to fix their remuneration.
5. Feature Address.
6. Presentation of Client's Awards 2004.
7. Presentation of Staff Awards 2004.

BY ORDER OF THE BOARD

*Hemant S. Indar Singh*

.....  
Hemant S. Indar Singh  
Admin Manager/Company Secretary

Registered Office  
253 South Road  
Bourda, Georgetown.

2nd November, 2005



## Corporate Profile

The Institute of Private Enterprise Development is a company limited by guarantee and registered as a not-for-profit Company under the Companies Act.

In the 1970's and up to 1985, the State progressively involved itself in business with the intention of owning and controlling the economy. This process tended to exclude those who could not fit into entities or who desired to do their own business. As a result, unemployment and under-employment grew with grave social and economic consequences.

Messrs, Yesu Persaud and W.G. Stoll, two very able and concerned businessmen recognized the absolute necessity for the culture of Free Enterprise which has been under attack for a generation had to be re-created. One of the surest ways of re-creating this culture was by stimulating the emergence of small businesses and self-employment.

The Pan American Development Foundation (PADF) was approached for funding and they threw out the challenge that they would fund 1/2 Million Guyana Dollars if the

Guyanese could match that sum. At the same time, also, Foundation for International Training (F.I.T.) was approached and they offered to finance two Counsellors who were duly installed soon after the Institute was established.

On 1st April, 1986, the Institute of Small Enterprise Development, as it was then called opened its doors for business at 240 Camp Street, Georgetown with a staff of one - Mr. Jeff Adiken, who performed the jobs of Manager, Accountant, Counsellor, Project Officer and Messenger all rolled into one. Soon, however, further help was provided with staff numbering a total of five in its first year.

With the help and support of the Government of Guyana, United States of America, Canada and the United Kingdom, the Institute expanded rapidly to be the principal provider of finance and technical assistance to the small and micro business sector in Guyana today.

To reflect its expanded role, the name of the Institute was changed on 10th September, 1991 to **Institute of Private Enterprise Development**. Since then, the Institute has been moving from strength to strength, increasing the ambit of its loans and providing training in Management,

### Directors

Mr. Yesu Persaud - Chairman  
Mr. Komal Samaroo  
Dr. Ian Mc Donald  
Mrs. Amanda Richards  
Mr. Laurence Farley  
Mr. James Morgan

### Registered Office

IPED Building  
253 South Road,  
Bourda, Georgetown, Guyana  
Tel: 592-226-4675  
Fax: 592-223-7834  
Email: [iped@solutions2000.net](mailto:iped@solutions2000.net)  
Website: [www.ipedgy.com](http://www.ipedgy.com)

### International Projects

GYBT, CTCS,  
PRCSP, SEBRAE

### Bankers

Demerara Bank Limited

National Bank of Industry and  
Commerce Limited

Citizens Bank Guyana Limited

### Auditors

Deloitte & Touche  
Chartered Accountants  
77 Brickdam, Stabroek  
Georgetown, Guyana.

### Attorneys at Law

Mr. Vidyanand Persaud  
Georgetown

Mr. Murseline Bacchus  
New Amsterdam

### Branches

#### Berbice

1 Port Mourant,  
Corentyne, Berbice  
Tel: 592-336-6171

11 D' Edward Village,  
West Bank Berbice.  
Tel: 592-327-5367

#### Essequibo

54 Cotton Field,  
Essequibo Coast  
Tel: 592-771-4298

312 Parika,  
East Bank Essequibo.  
Tel: 592-260-4399

#### Lethem

Rupununi, Region 9  
Tel: 592-772-2229

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## Board of Directors



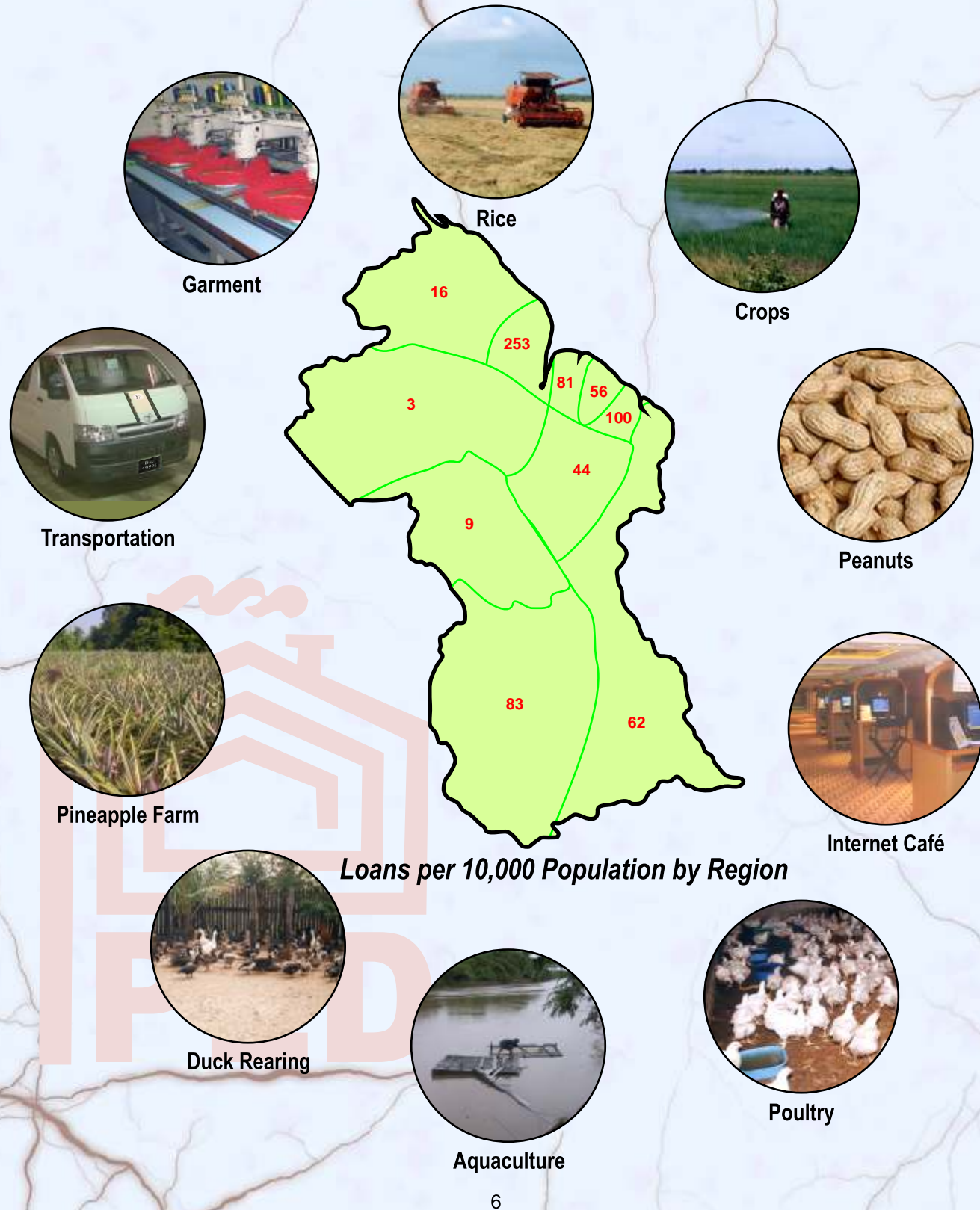
- 1 **CHAIRMAN**  
*Yesu Persaud C.C.H., F.C.C.A., F.R.S.A., F.B.I.M.*
- 2 **DIRECTOR**  
*Ian Mc Donald A.A., M.A. (Cantab), F.R.S.L.*
- 3 **DIRECTOR**  
*Amanda Richards A.I.C.B.*
- 4 **DIRECTOR**  
*Komal Samaroo A.A., F.C.C.A., A.C.I.S.*
- 5 **DIRECTOR**  
*James Morgan F.L.M.I., C.S.*
- 6 **DIRECTOR**  
*Laurence Farley F.B.S.C., A.C.E.A.*



**CHIEF EXECUTIVE OFFICER**  
*Dr. Leslie Chin A.A., B.Sc., Ph.D.*

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For Everyone in Guyana**

annual report 2004



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## Chairman's Report

throughout Guyana. It's gratifying to note that the micro sector loans cater for the poorest of the poor including single parents, many of whom had no source of income but today are self supporting members of society.

### Year Under Review

Despite the many constraints in the economy, IPED continues to stimulate the entrepreneurial spirit latent in the Guyanese population creating needed jobs and employment for people and creation of wealth for the Nation. During the year IPED funded 5518 loans to the value of \$975.29 million compared with 5170 loans valued at \$869.96 million in 2003, an increase of 6.7% in numbers and an increase of 12% in value broken down as follows:-

	No. of Loans		Value of Loans \$M	
	2004	2003	2004	2003
Small	1,334	1769	629	607
Micro	4,184	3401	346	263
Total	5,518	5170	975	870

In 2004, the Guyanese Economy grew by 1.6% after a negative growth of 0.6% in 2003. The dependence of the country on commodities is overwhelming, and the likelihood of the European Union reducing the guaranteed price on ACP sugar could pose major problems not only for Guyana but all the ACP sugar producing countries. I have been advocating for many years the need to diversify into value added products using our local raw materials as base thereby creating export led growth to transform the economy and gradually reduce the dependence of the economy on commodities.

The Caribbean Single Market and Economy (CSME) will come into being on the 1<sup>st</sup> January 2006 and Guyanese producers and manufacturers will face severe competition from Caribbean competitors whose costs are lower than Guyana's and therefore the Guyanese Private Sector including the small and micro sectors must deliver products and services of the highest quality at competitive prices to meet the challenge. The growth of the economy is vital to create jobs and wealth to provide the ingredients so necessary for the sustainability and continuous growth of the micro and small business sectors. This sector helps to sustain and develop the most vulnerable members of our Society. IPED has more than played its part in developing and funding micro and small entrepreneurs for the last 19 years and during those days have helped developed thousands of small and micro business entrepreneurs

### Surplus for the Year

The Institute made a surplus of G\$62.3 million compared to G\$47.0 million in 2003, an increase of 32%.

### Bad Debts Provision

The Directors of the Institute have continued to pursue a prudent policy of providing for bad debts since it is operating in areas that are subject to the vagaries of the weather and the shifts in the economy. Accordingly, the Institute's provision is now over 25% of total debts. The Board is committed to continue this policy in the future.

### Training

IPED continues to offer managerial and technical training to all of its clients. The Institute sees these services as complementary to loans and in a way ensuring the business success of our clients. IPED helps them to grow to another level where professional management and technology are essential to success.

The staff of IPED continues to receive in-house training in all aspects-Managerial, Technical and Marketing, to enable them to continue providing



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Providence, East Bank Demerara

## Chairman's Report

service of the highest standard.

On the technology front, IPED has created a Knowledge and Information Sharing Services Programme to use technology to access markets, to increase productivity and to develop novel businesses. The Institute will relaunch its website and provide information on our Clients businesses and access to the Internet as a marketing tool. The Institute is training its Clients on the use of the computer as an essential business skill.

### Hinterland Thrust

During 2004, IPED adopted a conscious strategy of reaching out to the Hinterland Regions where the poor are the poorest and access to financial services is virtually nonexistent. We have covered villages in North and Central Rupununi, Mahdia in Region 8 and Mabaruma, Port Kaituma and Moruca in Region 1. We have positively responded to the Government's invitation to make our loans and business skills training service available at Kwakwani, where there was significant retrenchment in the Bauxite industry. For this year of operation in the hinterland, 220 loans were disbursed valued \$71.3 million.

### IFAD

In 2001, IPED signed an agreement with the Government of Guyana to operate the credit component of a Poor Rural Communities Support Services Project (PRCSSP) in Regions 2 and 3. This Project is funded by a United Nations Organisation, the International Fund for Agricultural Development (IFAD). By the end of 2004, IPED had disbursed a cumulative 4,426 loans valued \$340 million.

### SEBRAE

The Technical Co-operation Agreement signed between IPED and SEBRAE holds lots of promises for residents of Region 9. SEBRAE is a Brazilian NGO with significant resources to promote small enterprise development. We are awaiting the establishment of instruments that would cover the costs of implementing this Agreement. We however benefited from informal assistance in establishing a fish cage in the Takatu River in November 2004.

### MIS

Our Management Information System is not functioning effectively and efficiently and we are now approaching two agencies to put in place a new system.

### Staff

The staff continues to perform creditably and is committed to greater efforts in the year 2005 and beyond. The staff is also conscious that they have to be extra conscientious and innovative in the present financial environment.

### Board of Directors

My heartfelt thanks to our hardworking Board of Directors who have been giving so much of their time, free of any cost in directing the policies of the Institute and leading it into the new era of micro and small business development.

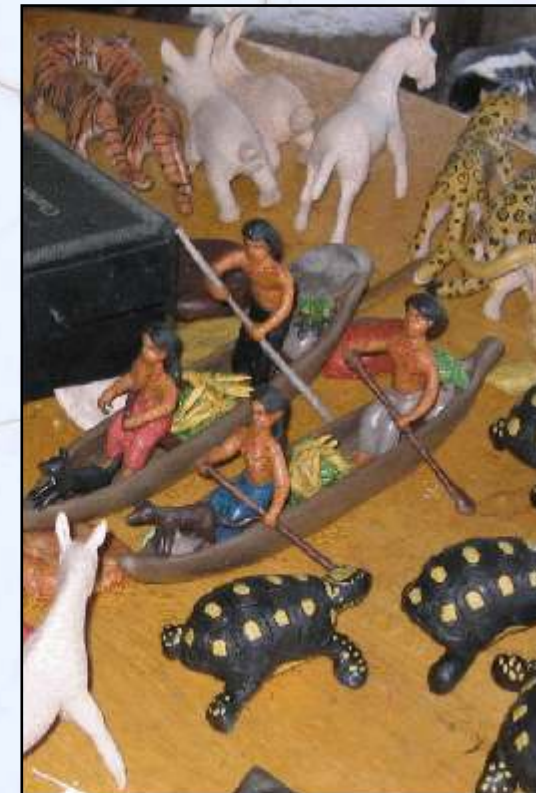
### Future Prospects

IPED has moved into interior areas which are high risk areas especially in the case of Micro Entrepreneurial loans. We have to be extremely careful to avoid bad debts in these areas.

IPED still relies on the growth of the economy to make the most of its resources and expertise and the Directors hope the economy will grow in the future so markets could be created for micro and small entrepreneurs. IPED will proactively identify critical areas for intervention through loans or technical assistance in order that businesses and the economy could bloom.

IPED will develop strategies to cost effectively penetrate the Hinterland Regions and the riverian areas of the Coast. IPED is working on a methodology to identify individuals with good ideas for new businesses and with the competencies required for success. IPED will work in close collaboration with the new entrepreneurs to counter

## Hinterland Activities



Balata Craft



Clay Brick



Aquaculture



Peanuts

# Sustainable Livelihoods



Vending



Rice Cultivation



Crop Farming



Broiler Production

annual report 2004

## Awards

### Staff Awards

Employees who completed ten and five years of continuous employment in 2004.

Names	Designation	Years of Service
Yogieraj Das	Credit Manager	10
Sarojanie Singh	Accounts Clerk	5
Prasanna Kumar Muthu	Internal Auditor	5
Gloria Peters	Charwoman	5

### Clients Awards 2004

#### 1. Best Managed Project

Rameshwar Ramdat 64 D Bush Lot Village West Coast Berbice Rice Cultivation

#### Runner-up

Subhan Ramphal 218 Kuru Kururu, Linden Soesdyke Highway Transportation Service

#### 2. Best Agri Project

Bhaskaran Persaud Columbia, Essequibo Coast Rice Cultivation

#### Runner-up

Cy Whosely 22 Beau Voisin, Canal No. 1 Polder Sugar Cane Cultivation

#### 3 Best Manufacturer

Moses Sookram Affiance, Essequibo Coast Production of Scales and Weights, Cooking utensils

#### Runner-up

Colin Malonev Lot 70 Vryheid's Lust North East Coast Demerara Nibbi Furniture

#### 4. Best Woman Entrepreneur

Stella Sullivan Lot 42 Barnwell North, Mocha, East Bank Demerara Broiler Production

#### Runner-up

Vivienne Watson Huntley, Mahaicony, East Coast Demerara Commercial

#### 5. Enterprising Micro Entrepreneurs

1. Dhanmattie Bahadur 15 Coopers Lane, New Amsterdam Snackette

2. Mureen Me Almon 149 Lovely Lass West Coast Berbice Broiler Production

3. Michelle Greaves 190 Kuru Kururu Soesdyke Highway Broiler Production

4. Patrick Cummings 691 Woodpecker Street South Ruimveldt Vending

5. Vincent A. Paul 50 Stewartville, West Coast Demerara Broiler Production

6. Joycelyn Morris 774 One Mile Wismar Linden Vending

#### 6. Best Hinterland Enterprise

Michael Matthias Port Katuma Region 1 Fuel Station

## CEO's Report 2004



### Mission

IPED's Mission Statement has been paraphrased and disaggregated into three elements:

- i Poverty Reduction through microenterprise development.
- ii Wealth creation through enterprise development.
- ii Financial sustainability through planned surpluses.

### Poverty Reach

The number of loans funded was 5,518 which is 6.7% more than the number for 2003. The number of Clients receiving loans in 2004 was 3,797 or 18.3% less than 2003. However the number of new Clients increased by 8.0% to 1277 in 2004. The number of loans per 10,000 of population averaged 74. This ratio was below average in Regions 7, 1, 8, 4 and 6. The performance for Region 2 was particularly commendable at 253 loans per 10,000 population. The number of hinterland clients increased to 206 from 154 in 2003, whilst the number of Amerindian Clients increased from 189 to 227.

	2003	2004
Total number of Loan Clients	4647	3797
Number New Clients	1183	1277
Number of Hinterland Clients in Kwakwani, Regions 1, 8 & 9	154	206
Number Amerindian Clients	189	227

### Geographical Coverage

There are 5162 clients in the loan portfolio in all ten Administrative Regions of Guyana. During 2004 IPED disbursed loans to 655 villages, communities or wards.

Also during 2004, IPED consolidated its hinterland thrust. In particular the number of loans per 10,000 population in Region 9, the Rupununi increased from 40 to 83 which is significantly above our national average of 74. In this Region we disbursed a significant number of loans for peanut cultivation. We have not as yet found a cost effective methodology to reach out to the mountainous villages of Region 7.

During 2004 IPED continued to operate the credit scheme in Regions 2 and 3 under the agreement with the Government of Guyana for a poor Rural Communities Support Services Project funded by IFAD and the Caribbean Development Bank. IPED disbursed 1524 loans valued \$135.0 million compared with 1405 loans valued \$108.0 million in 2003. This represents annual increases of 8.5% by number and 25.0% by value.

### Wealth Creation

The net profits generated and wages paid out by Clients who accessed loans in 2004 totaled \$4,700 million. This is 3.6% GDP, a not inconsiderable figure and an indicator of the important contribution of Micro and Small Enterprises to the economy.

### Sector Contribution

At the end of the year 2004 the loan balances of IPED Clients indicated that IPED had a 15.5% market share for rice, 13.2% for livestock, 35.2% for other agriculture, 4.6% for fishing, 4.4% for transportation and only 3.8% for the distribution sector. It is the perception of many that IPED has an emphasis on Vending loans, but our market share is really small but reasonable for our size. Our impact is in the number of entrepreneurs who have accessed IPED loans to increase their sales and profitability in order to sustain their livelihoods. IPED's market share for all loan balances to the private sector is 3.2%.

A survey in 2003 revealed 58,000 Micro and Small Enterprises in Guyana. In this context, IPED disbursed loans to 3797 clients of which 349 were crop farmers, 544 poultry rearers, 727 rice farmers and 1599 in retail trading. A gender breakdown showed that women were involved in 31% crop farming, 56% poultry rearing, 31% rice production and 89% retail trading. IPED is involved in every business sector except bauxite and sugar manufacturing.

## Entrepreneurial Development



Graduating Class



Pickled Meat Workshop



Business Skills Training

**NOTES ON THE ACCOUNTS**

- 13 (a) The company is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

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

- (b) Maturity Profile of Assets and Liabilities

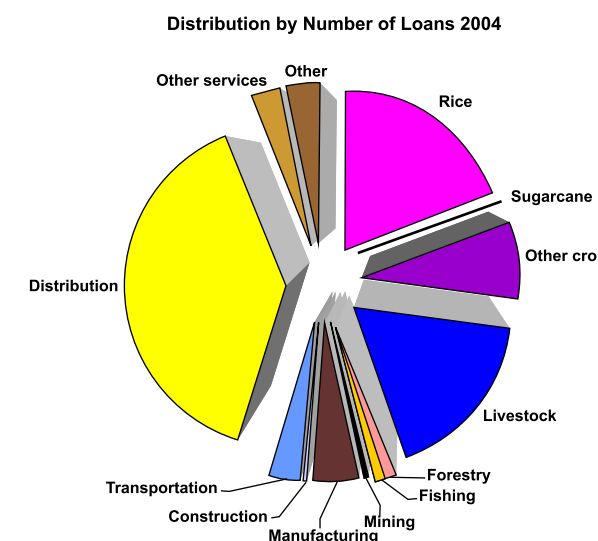
The matching and controlled mismatching of the maturities of assets and liabilities and the rates of interest are fundamental to the management of the company. The maturities of assets and liabilities and the ability to replace maturing interest bearing liabilities at an acceptable cost are important factors in assessing the liquidity of the company and its exposure to changes in interest rates and exchange rates.

	Maturing		Maturing	
	Within 1 year	Over 1 year	Within 1 year	Over 1 year
	2004	2004	2003	2003
	G\$	G\$	G\$	G\$
<b>Assets</b>				
Cash and Bank	301,943,433	"	175,832,650	"
Investments	572,109,106	"	512,372,573	"
Loans receivable	650,678,904	190,449,609	632,700,222	238,658,307
Debtors	29,820,618	"	36,745,113	"
Prepayments	733,718	"	49,100	"
<b>Liabilities</b>				
Loans Due	332,219,822	520,068,558	295,091,989	433,847,482
Sundry Creditors	349,439,135	"	323,734,126	"
Accruals	12,313,559	"	8,257,319	"

- 14 Foreign Currency risk.

The company have assets and liabilities that are denominated in various currencies other than the reporting currency. Management do not believe that the net exposure to foreign currency risk can result in material loss to the company.

*CEO's Report 2004*



**New Products**

During the last half of the year, IPED introduced two new loan products. Seasonal loans to cater for periods of peak business activity were fast tracked along the loan approval process. Lifetime event loans were introduced in recognition of the fact that poor clients in times of emergency divert working capital from their business operations and erode away the capacity to generate a sustained cash flow.

**Financial Performance**

Net profit for 2004 was \$62.3 million which represents a Return of 5.7% on average equity and 2.8% on average assets, which are significant improvements on 2003.

	2003	2004
Net Profits \$ million	47.1	62.3
Return on Average Equity	4.8%	5.7%
Return on Average Assets	2.4%	2.8%
Inflation Rate	5.0%	5.5%
Current Ratio	2.6	2.9
Non-performing loans \$ million	166.5	149.3
Bad Debts written off \$ million	1.1	21.0
Loan Loss Provision \$ million	41.1	71.2
Loan loss Reserves \$ million	250.6	300.9
Administrative Cost \$ per Loan	\$22,950	\$28,158
Administrative Efficiency		
Administrative Cost/ Portfolio	11.9%	13.9%

**Business Development Services**

Entrepreneurial Development Centre (EDC)  
The Entrepreneurial Development Centre's mission is to equip entrepreneurs with the relevant skills to enhance their chances of business success through training, education and information. In keeping with its mission the EDC has reached out to all IPED's branch offices and the sub-office at Linden to facilitate business skills training. We have also reached out in 2004 to

various sections of the community with our training programmes

**Business Skills**

Three batches of entrepreneurs and potential entrepreneurs were able to successfully complete and graduate with a *Certificate in Entrepreneurship* from the Centre in 2004. Graduates included one batch which was as a result of a joint initiative with the Extension Centre at Kuru Kururu. Ten (10) entrepreneurs were able to graduate on October 1<sup>st</sup> 2004. Another batch of ten (10) entrepreneurs from the Linden Sub-Office graduated in July 2004. Participants from Head Office, Parika Branch Office and D'Edward Branch Office also graduated.

The Centre met with the representatives of the Ministry of Culture Youth and Sports to introduce an Entrepreneurship Programme at two of the Centres of the YEST Programme. Two such programmes were successfully completed *pro bono* by IPED as a corporate gesture while one was done at a financially sustainable level.

**Knowledge and Information Sharing Services**

This programme area is intended to assist clients in identifying new business opportunities and to help them to incorporate new technologies in their businesses. To this end field testing was done on a scientific basis, to assess and improve a formulation for broiler feed based on the trial and error experiences of hundreds of IPED's poultry Clients. Secondly workshops in food processing, which would help entrepreneurs to create new business along with value added to the economy. Clients were shown how to extract pectin from the skin of the passion fruit and how to make jam and a high quality juice from the passion fruit. Workshops in pickled meat were also conducted on the Essequibo Coast.

**Technical Assistance**

Under the Caribbean Technological Consultancy Services of the Caribbean Development Bank, IPED facilitated the visit of pineapple farmer Mr. Tameshwar Hiralal to a farm in Barbados where plastic mulching and drip irrigation are practiced. Mr. Hirallal is a progressive farmer, who has been awarded IPED Best Agri Project. His vision is to be the most modernized farmer in Guyana.

One other farmer benefited from a farm plan for crops and duck rearing prepared with the advice of a CTCS consultant in the local register. A pottery maker was able to share experiences on clay formulations with a counterpart in Trinidad.

**Computer Studies**

The Center acquired ten (10) new Personal Computers and have launched two levels of Computer Studies Certificate in Elementary Computer Studies and a

## CEO's Report 2004

Diploma in Computer Studies. These programmes are offered to both loan and non-loan clients of IPED.

### The Future

IPED has identified the riverain communities as underserved areas for IPED loans and business development services. IPED is developing a profile for cost effective services in such communities.

IPED has recognized that there is a large community of the differently able, who could make an economic contribution to the society by being able to access micro loans and business counseling. We are exploring partnerships with NGOs to arrive at cost-effective strategies for reaching out.

IPED has identified three important areas that have longer-term potentials of making major contributions to the economy and indeed changing the economic landscape of Guyana. These are aquaculture, oil palm and soybean production. Aquaculture is based on the fact that 50% finfish production worldwide comes from fish farms, oil palm is a tree crop that efficiently traps solar energy and converts it into vegetable oil that can be used as a substitute for diesel fuel. A five to ten year horizon already shows biodiesel playing an increasing role as a renewable energy source for transportation vehicles. Soybeans and its processed products are the highest value imports into Caricom of the total US\$ 4 billion of food and feed ingredients annual import bill.

IPED is committed to raise awareness of these three areas of economic opportunities and to partner with enterprises to make them a reality. Every long journey begins with a first step. IPED with technical assistance from SEBRAE of Brazil has funded an entrepreneur at St. Ignatius in Region 9 to launch our first fish cage in the Takutu River in November 2004.

### Acknowledgments

I would like to pledge IPED's on-going partnership with our Clients to grow their businesses and to improve their competitiveness as we move towards a more globalised economy. We acknowledge the tremendous contributions of our 72 employees and managers, who have in many instances given such dedicated service to make the difference to the success of our Clients. During the year I voluntarily resigned as a member of the Board of Directors as a matter of good governance. My position of Executive Director was redesignated Chief Executive Officer. I would like to express my grateful thanks to the Chairman and other members of the Board for their guidance and work in the various sub-committees of the Board. Their contributions have been much appreciated.

## NOTES ON THE ACCOUNTS

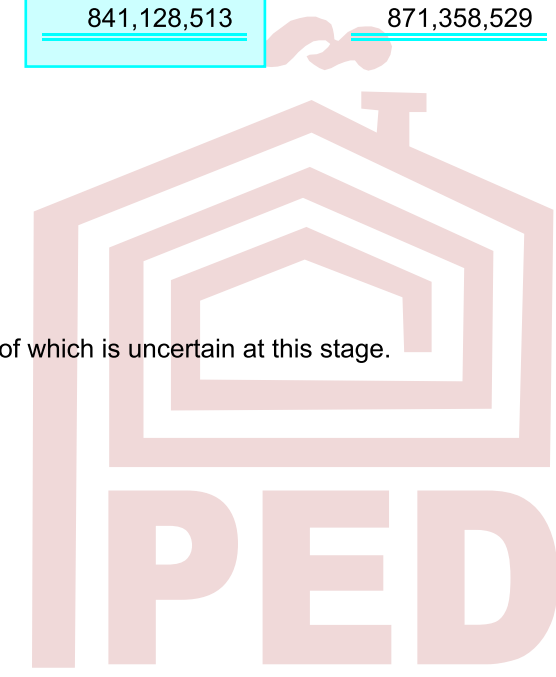
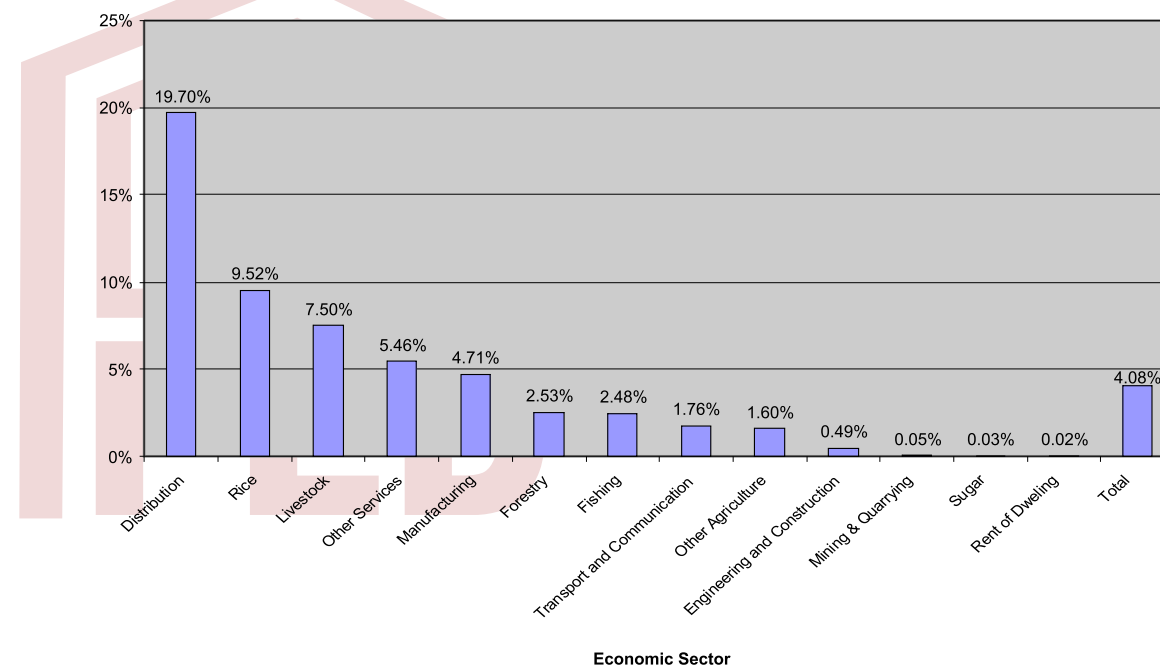
### 11 Loans receivable (by Industry)

	2004	2003
	G\$	G\$
Fishing	49,900,865	46,146,538
Rice	304,650,012	286,097,604
Dairy	8,132,838	5,794,839
Pigs	3,955,802	1,701,240
Poultry	57,923,536	51,163,248
Fish dehydration	421,098	615,234
Crops	63,601,207	65,574,619
Garment	17,285,010	18,523,580
Food processing	11,524,498	19,867,961
Workshop	17,600,786	17,167,486
Furniture	58,774,140	43,300,240
Craft	9,445,264	11,041,008
Shop, motor vehicles & vessels, vending and trading, etc.	361,741,724	354,037,200
Miscellaneous	177,041,019	200,975,809
	<u>1,141,997,799</u>	<u>1,122,006,606</u>
Less: Bad debts provision	<u>300,869,286</u>	<u>250,648,077</u>
	<u>841,128,513</u>	<u>871,358,529</u>

### 12 Pending litigations

There are several litigations pending, the outcome of which is uncertain at this stage.

Value Added by IPED Clients as Percentage of Each Economic Sector



**NOTES ON THE ACCOUNTS**
**9 Sundry creditors**

	2004 G\$	2003 G\$
PL 480 loan interest	285,827,609	263,218,909
Others	63,611,526	60,515,217
	<u>349,439,135</u>	<u>323,734,126</u>

**10 Related party transactions**

(a) The company shares a common Chairman with Trust Company (Guyana) Limited, and Demerara Bank Limited.

Balances were as follows:

	2004 G\$	2003 G\$
Trust Company (Guyana) Limited - investment account	985,416,474	841,808,349
Demerara Bank Limited - current account	(5,365,953)	(13,361,316)
Demerara Bank Limited - savings account	41,668,583	24,532,156

Interest rates were same as for other parties

(b) Macro and minor loans were taken by eleven (11) staff at the prescribed regular rates of interest. No provision was made for bad and doubtful loans.

	3,862,340	4,590,440
--	-----------	-----------

(c) The Company's fixed assets are insured by Diamond Fire Insurance Company Limited, a company that has two common Directors with IPED. Insured value was G\$43,853,274 in 2004 (2003 - G\$26,953,274).

	153,486	107,813
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(d) Balance due from Guyana Youth Business Trust which shares a common Chairman and Trustee with IPED.

	4,609,017	93,037
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## Report of the Directors

The Directors have pleasure in submitting this Report and Audited Financial Statements, for the year ended 31<sup>st</sup> December, 2004.

### Principal Activities

The Institute of Small Enterprise Development Limited was incorporated on 2<sup>nd</sup> October, 1985, as a Company limited by guarantee. It is a non-profit and tax exempt Organisation formed to promote and to encourage the development and growth of industry through the provision of business guidance, technical assistance, non-traditional credit facilities to small entrepreneurs or to groups and generally to 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. With effect from 10<sup>th</sup> September, 1991, the entity's name was changed to Institute of Private Enterprise Development Limited. The Institute was granted Certificate of Continuance as set out in the Articles of Continuance, under Section 339 of the Companies Act. On the 14<sup>th</sup> August, 1986, the Institute of Private Enterprise Development was prescribed as an Organisation of National Character in Guyana under Section 35 (1) of the Income Tax Act Chapter 81:01.

### Performance for the year

In the year 2004, the Institute financed a total of 5,518 loans valued at \$975.29 million. Small and Medium Businesses accounted for 1,334 loans valued \$628.98 million whilst 4,184 loans valued \$346.31 million were for the Micro Business Sector. The 5,518 loans created/sustained 8,186 jobs. Income totaled \$317.75 million and Expenditure \$255.42 million resulting in a surplus of \$62.33 million for the year compared with \$47.05 million in the year 2003.

### Application of surplus

Net surplus for the year 2004 was \$62.33 million and this was transferred to the accumulated surplus which totalled \$822.67 million at the end of 2004.

### Financial/Technical assistance received - for 2004

In the year 2004, the Institute received Technical Assistance as follows:

- Under the Caribbean Technological Consultancy Services of the Caribbean Development Bank (CDB), three entrepreneurs benefited from Technical assistance.
- Technical assistance from SEBRAE of Brazil and funding from IPED helped an entrepreneur to launch the first fish cage in the Takutu River.

### Administration of Credit Facility under PRCSSP

In the year 2004, the Institute continued to administer

the Credit component of the **PRCSSP** (Poor Rural Communities Support Services Project). This component was funded by IFAD (International Fund for Agricultural Development) under a Loan Agreement signed between the Government of Guyana through the Ministry of Finance and the Institute of Private Enterprise Development Limited on the 9<sup>th</sup> February, 2001. In 2004, a total of 1,524 loans at a value of \$135.0 million, were disbursed to Business Entrepreneurs in Regions Two and Three.

### Credit Programmes

In the year 2004, the Institute operated three Credit Windows:

- Main credit window, which is geared to meet the needs of the Small and Medium Business Sectors.
- Micro credit window, which is geared to meet the needs of the Micro Business Sector.
- The PRCSSP Credit Facility which provides Financing to Entrepreneurs in Regions Two and Three.

### Entrepreneurial Development

The Institute's (EDC) Entrepreneurial Development Centre's mission is to equip Entrepreneurs with the relevant skills to enhance their chances of business success through training, education and information. In keeping with its mission, the EDC has reached out to all IPED's Branch Offices and the Sub-office at Linden to facilitate Business skills training. We have reached out in 2004 to various sections of the Community with our training programmes.

### Board of Directors

During the year 2004, there were six (6) Directors on the Board:

- Mr. Yesu Persaud
- Mr. Komal Samaroo
- Mr. Laurence Farley
- Dr. Ian Mc Donald
- Mr. James Morgan
- Mrs. Amanda Richards

Pursuant to the Company's Articles of Association, the following Directors retire by rotation and are eligible for re-election:

- Mr. Yesu Persaud
- Mrs. Amanda Richards

### Auditors

The retiring Auditors, Messrs Deloitte and Touche', have intimated their willingness to be re-appointed.

TABLE 1

LOAN STATISTICS	
Economic Sector	2004
Rice	1054
Sugarcane	2
Other Crops	431
Livestock	970
Fishing	81
Forestry	21
Mining	5
Manufacturing	258
Construction	6
Distribution Services	2179
Transportation Services	170
Other Services	341
<b>TOTAL</b>	<b>5518</b>

LOAN STATISTICS FOR 1986 TO 2003

ECONOMIC ACTIVITIES	TOTAL	2003	2002	2001	1996-2000	1991-1995	1986-1990
ARTISANAL FISHING	934	54	31	45	254	390	160
FOOD PROCESSING/AGRO PROCESSING	238	6	15	7	71	67	72
SOFT TOYS	16	-	0	0	0	3	13
WOODEN TOYS	11	-	0	0	3	0	8
GENERAL MANUFACTURING GARMENTS, FURNITURE CRAFT, MISC. ETC.	1,216	203	77	80	422	190	244
MECHANICAL & OTHER WORKSHOPS	430	29	24	28	104	126	119
DAIRY FARMING	281	9	4	5	40	80	143
PIGS & POULTRY REARING	1,423	141	132	140	550	287	173
SHEEP & GOAT REARING	8	0	0	0	2	6	0
BEE KEEPING	3	0	0	0	0	0	3
LOGGING, SAWMILLING & CHARCOAL PRODUCTION	92	15	0	0	12	61	4
GROUND PROVISIONS, MIXED CROPS & RICE CULTIVATION	7,397	802	694	702	2640	2441	118
MICRO ENTERPRISE LOAN MIXED ACTIVITIES	25,419	3,401	3,367	2,941	13,390	2,320	0
RURAL OUTREACH PROGRAMME (COMMERCIAL ACTIVITIES)	2,394	510	440	404	1040	0	0
<b>TOTAL</b>	<b>39,862</b>	<b>5,170</b>	<b>4,784</b>	<b>4,352</b>	<b>18,528</b>	<b>5,971</b>	<b>1,057</b>

NOTES ON THE ACCOUNTS

8 Loans - cont'd

ii) IADB

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

Commission of 1% is payable semi annually on 16 January and 16 July each year beginning 6 months after the disbursements of the loan. The terms 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.

iii) EIB

European Investment Bank loan of 500,000 ECU was fully drawn down at 31 December 2000. The loan is repayable in 10 equal annual instalments commencing 31 March 2001. Interest is payable annually in arrears at the rate of 2% per annum.

iv) IFAD

The International Fund for Agricultural Development loan agreement was signed between the Government of Guyana through the Ministry of Finance and the Institute of Private Enterprise Development Limited on 9 February 2001.

This is an interest free loan which is repayable after six (6) years, after which IPED is entitled to repay the Government all undisbursed sums and within an agreed stipulated period recover the disbursed sums and pay them over to the Government of Guyana. The Government is entitled to 2% interest collected as government commission. The full commitment on this loan has not been received.

**NOTES ON THE ACCOUNTS**

8 Loans

	2004 G\$	2003 G\$	Amount Committed
(i) PL 480 1986	2,800,000	2,800,000	G\$ 2,800,000
PL 480 1987	5,500,000	5,500,000	G\$ 5,500,000
PL 480 1988/89	27,000,000	27,000,000	G\$ 27,000,000
PL 480 1990	43,400,000	43,400,000	G\$ 43,400,000
PL 480 1991	103,500,000	103,500,000	G\$ 103,500,000
PL 480 1992	255,345,000	255,345,000	G\$ 255,345,000
(ii) IADB	19,752,746	20,593,290	SFR 375,000
(iii) EIB	55,199,703	63,169,653	ECU 500,000
(iv) IFAD	339,790,931	207,631,528	SDR 1,350,000
<b>Total</b>	<b>852,288,380</b>	<b>728,939,471</b>	

	2004 G\$	2003 G\$
Repayments due after five years	384,432,254	273,414,679
Repayments due within two to five years	135,636,304	160,432,803
Repayments due within one year	520,068,558 332,219,822	433,847,482 295,091,989
	<b>852,288,380</b>	<b>728,939,471</b>

i) PL 480

Year	Repayment Period Years	Moratorium Years	Interest Rate %
1986	10	5	4
1987	10	5	4
1988/89	15	5	4
1990	15	5	4
1991	15	5	4
1992	10	5	6

Annual repayments become due at the end of the sixth year.

**TABLE 2**
**CLASSIFICATION OF LOAN RECIPIENTS**

CUMMULATIVE	TOTAL	2004	2003	2002	2001	1996-2000	1991-1995	1986-1990
MEN	14,044	2,554	1,648	1,574	1,411	3,867	2,270	720
WOMEN	19,023	2,040	1,863	1,478	1,833	9,893	1,831	85
JOINT - MEN & WOMEN	12,313	924	1,659	1,732	1,108	4,768	1,870	252
TOTAL	45,380	5,518	5,170	4,784	4,352	18,528	5,971	1,057

**TABLE 3**
**ADMINISTRATIVE ANALYSIS**

SUMMARY RESULT OF ACTIVITIES	TOTAL	2004	2003	2002	2001	1996-2000	1991-1995	1986-1990
NO. OF LOANS GRANTED	45,380	5,518	5,170	4,784	4,352	18,528	5,971	1,057
VALUE OF LOANS (G\$000)	8,013,712	975,294	869,957	719,690	669,800	3,133,550	1,582,754	62,667
NO. OF JOBS CREATED/ SUSTAINED	94,184	8,186	8,705	7,618	7,113	37,445	20,021	5,096
AVERAGE LOAN (G\$000)	176.6	176.7	168.3	150.4	153.9	169.1	265.1	59.3
ADMINISTRATIVE COST PER LOAN (G\$000)		28.158	22.950	20.295	20.701	15.974	16.424	3.707
AVERAGE NO. OF JOBS PER LOAN	2.1	1.5	1.7	1.6	1.6	2.0	3.4	4.8
LOAN VALUE PER JOB (G\$000)	85.1	119.1	99.9	94.5	94.2	83.7	79.1	12.3

## Report of the Auditors

TO THE MEMBERS OF  
THE INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT LIMITED  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004

We have audited the accompanying balance sheet of The Institute of Private Enterprise Development Limited as at 31 December 2004 and the related income statement, statements of changes in equity and cash flows for the year then ended as set out on pages 17 to 30. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view, in all material respects, the financial position of the Company at 31 December 2004 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1991.



  
DELOITTE & TOUCHE  
CHARTERED ACCOUNTANTS

77 Brickdam,  
Stabroek, Georgetown,  
Guyana.

September 23, 2005

## NOTES ON THE ACCOUNTS

	2004 G\$	2003 G\$
5 Loans receivable		
Gross loans	1,141,997,799	1,122,006,606
Less provision for bad debts	300,869,286	250,648,077
	<u>841,128,513</u>	<u>871,358,529</u>
Non-current loans receivable	190,449,609	238,658,307
Current loans receivable	650,678,904	632,700,222
	<u>841,128,513</u>	<u>871,358,529</u>
Non-performing loans receivable	149,325,624	166,531,134
Performing loans receivable	691,802,889	704,827,395
	<u>841,128,513</u>	<u>871,358,529</u>
Provision for doubtful accounts		
At 1 January	250,648,077	210,633,539
Provision for the year	71,182,462	41,119,050
Bad debts written off	(20,961,253)	(1,104,512)
At 31 December	<u>300,869,286</u>	<u>250,648,077</u>
	2004 G\$	2003 G\$
6 (a) Fixed deposits	428,819,203	355,676,854
(b) Short term investment	572,109,106	512,372,573

These represent interest and principal on the PL480 account and other funds being held at various banks and other financial institutions.

	2004 G\$	2003 G\$
7 (a) Members subscriptions		
At 1 January and 31 December	32,500	32,500

Members' subscriptions represent contributions by members towards the capital of the company.

	2004 G\$	2003 G\$
(b) Capital donations		
At 1 January	253,365,695	242,094,526
Donations received during the year	3,099,538	11,271,169
At 31 December	<u>256,465,233</u>	<u>253,365,695</u>

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

NOTES ON THE ACCOUNTS

	2004 G\$	2003 G\$
	<u>62,329,514</u>	<u>47,054,525</u>
	<u>14,275,840</u>	<u>11,056,270</u>
	<u>352,000</u>	<u>320,000</u>

3 Net surplus of income over expenditure  
After charging:  
Depreciation  
Auditors' remuneration

4 Fixed assets

	Land and buildings G\$	Motor vehicles G\$	Furniture, fixtures and fittings G\$	Office machinery G\$	Sundry training equipment G\$	Computer equipment G\$	Computer software G\$	Total G\$
At 1 January 2004	93,783,414	20,797,659	9,404,795	16,064,661	9,747,478	26,211,279	10,444,415	186,453,701
Additions	5,270,174	584,000	494,426	432,900	498,699	3,383,600	-	10,663,799
Disposals	-	(175,000)	-	-	-	-	-	(175,000)
At 31 December 2004	99,053,588	21,206,659	9,899,221	16,497,561	10,246,177	29,594,879	10,444,415	196,942,500
Depreciation								
At 1 January 2004	10,129,819	12,731,890	4,680,919	9,295,101	6,923,428	16,644,250	4,549,958	64,955,365
Charge for the year	1,914,284	2,550,399	959,932	1,652,803	964,612	3,622,706	2,611,104	14,275,840
At 31 December 2004	12,044,103	15,282,289	5,640,851	10,947,904	7,888,040	20,266,956	7,161,062	79,231,205
Net book values:								
At 31 December 2004	87,009,485	5,924,370	4,258,370	5,549,657	2,358,137	9,327,923	3,283,353	117,711,295
At 31 December 2003	83,653,595	8,065,769	4,723,876	6,769,560	2,824,050	9,567,029	5,894,457	121,498,336

INCOME AND EXPENDITURE ACCOUNT  
for the Year ended 31 December 2004

	Notes	2004		2003	
		G\$	G\$	G\$	G\$
Income					
Interest			263,461,568		183,992,506
Investment income			52,394,198		50,145,652
Other income			1,890,554		6,353,396
			<u>317,746,320</u>		<u>240,491,554</u>
Expenditure					
Interest		22,608,700		22,608,000	
Salaries and allowances		71,755,379		62,468,518	
Provision for doubtful debts		71,182,462		41,119,050	
Depreciation		14,275,840		11,056,270	
Printing and stationery		3,779,026		3,392,228	
Repairs and maintenance		6,897,085		4,632,447	
Others		64,918,314		48,160,516	
			<u>255,416,806</u>		<u>193,437,029</u>
Surplus of income over expenditure	3		<u>62,329,514</u>		<u>47,054,525</u>

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

**STATEMENT OF CHANGES IN EQUITY**  
*for the Year ended 31 December 2004*

	Members' subscriptions G\$	Capital donations G\$	Accumulated surplus G\$	Total G\$
Balance at 31 December 2002	32,500	242,094,526	713,287,846	955,414,872
Donation during the year	-	11,271,169	-	11,271,169
Surplus for the year	-	-	47,054,525	47,054,525
Balance at 31 December 2003	32,500	253,365,695	760,342,371	1,013,740,566
Donation during the year	-	3,099,538	-	3,099,538
Surplus for the year	-	-	62,329,514	62,329,514
Balance at 31 December 2004	<u>32,500</u>	<u>256,465,233</u>	<u>822,671,885</u>	<u>1,079,169,618</u>

**NOTES ON THE ACCOUNTS**

1. Significant accounting policies cont'd

(e) Pension Funding – cont'd

In relation to the current status of the Plan, the company estimates that there would be insignificant (if any) net benefit obligations after taking into account the fair value of the plan assets. Also, the current service cost is a fair reflection of the cost to the Company.

The next actuarial valuation should be carried out no later than 31st December, 2006

2. Incorporation and activities

The Institute of Small Enterprise Development Limited was incorporated on 2 October 1985 as a company limited by guarantee. It is a non-profit and tax exempt organisation formed to promote and to encourage the development and growth of industry through the provision of business guidance, technical assistance, non-traditional credit facilities to small entrepreneurs or to groups and generally to 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.

With effect from 10 September 1991 the entity's name was changed to Institute of Private Enterprise Development Limited.

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



### NOTES ON THE ACCOUNTS

1. Significant accounting policies - Cont'd

(d) Loans receivable and interest - Cont'd

Provision for the loan losses which is specific and based on appraisals of the credit portfolio, represents the amount which in management's judgement is necessary to maintain the provision at an appropriate level. This judgement is based on current delinquencies, the nature and characteristics of the portfolio and general economic conditions and trends.

A non-performing loan is any loan where repayments have not been adequate to cover the interest for the year. In addition, other loans which are not yet in arrears may be classified by management as non-performing where in management's opinion there is doubt as to the ultimate collectibility of some portion of principal or interest.

(e) Pension funding

The Company participates in a defined benefit plan for its employees. The contributions are held in trustee administered funds which are separate from the Company's resources. Forty (2003 – thirty seven) employees participate in this plan.

During the year, the Company's contribution to the Scheme was \$3,866,495 (2003 - \$3,264,679).

The last actuarial valuation which was done at 31 December 2003, showed a past service surplus of \$25.5M with a funding level (i.e. ratio of assets to liabilities) of 103%.

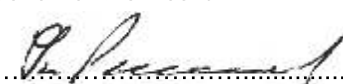
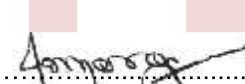
The principal actuarial assumptions used were as follows:

Investment return	-	5% per annum
Salaries increases	-	5% per annum
Pension increases	-	2% per annum

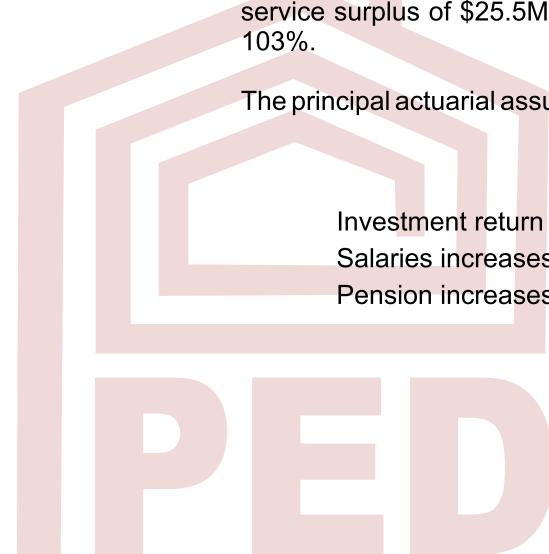
### BALANCE SHEET At 31 December 2004

Notes	2004 G\$	2003 G\$	
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	4	117,711,295	121,498,336
Non-current loans receivable	5	190,449,609	238,658,307
		<u>308,160,904</u>	<u>360,156,643</u>
<b>Current assets</b>			
Loans receivable	5	650,678,904	632,700,222
Debtors		29,820,618	36,745,113
Prepayments		733,718	49,100
Stores		944,806	1,138,324
Fixed deposits	6 (a)	428,819,203	355,676,854
Short term investment	6 (b)	572,109,106	512,372,573
Cash on hand and at bank		301,943,433	175,832,653
		<u>1,985,049,788</u>	<u>1,714,514,839</u>
<b>TOTAL ASSETS</b>		<u>2,293,210,692</u>	<u>2,074,671,482</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital fund</b>			
Members' subscriptions	7 (a)	32,500	32,500
Capital donations	7 (b)	256,465,233	253,365,695
Accumulated surplus		822,671,885	760,342,371
		<u>1,079,169,618</u>	<u>1,013,740,566</u>
<b>Non-current liabilities</b>			
Loans due after one year	8	520,068,558	433,847,482
<b>Current liabilities</b>			
Sundry creditors	9	349,439,135	323,734,126
Accruals		12,313,559	8,257,319
Loans due within one year	8	332,219,822	295,091,989
		<u>693,972,516</u>	<u>627,083,434</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,293,210,692</u>	<u>2,074,671,482</u>

These financial statements were approved by the Board of Directors on 23rd September 2005  
On behalf of the Board:

.....  ..... Director      .....  ..... Director

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



**CASH FLOW STATEMENT**  
*for the year ended 31 December 2004*

	2004 G\$	2003 G\$
<b>Operating activities</b>		
Surplus of income over expenditure	62,329,514	47,054,525
<b>Adjustments for:</b>		
Depreciation	14,275,840	11,056,270
Gain on disposal of fixed assets	(305,000)	-
<b>Operating surplus before working capital changes</b>	<b>76,300,354</b>	<b>58,110,795</b>
(Increase)/decrease in non-current loans receivable	48,208,698	(86,358,957)
Increase in current loans receivable	(17,978,682)	(54,999,688)
(Increase)/decrease in debtors and prepayments	6,239,877	(19,405,065)
(Increase)/decrease in stores	193,518	(369,284)
Increase in creditors and accruals	29,761,249	46,640,222
<b>Net cash provided by/(used in) operating activities</b>	<b>142,725,014</b>	<b>(56,381,977)</b>
<b>Investing activities:</b>		
Proceeds from sale of fixed assets	480,000	-
Purchase and donations of fixed assets	(10,663,799)	(22,699,949)
<b>Net cash used in investing activities</b>	<b>(10,183,799)</b>	<b>(22,699,949)</b>
<b>Financing activities</b>		
Capital donations	3,099,538	11,271,169
Loan drawdown	132,159,403	103,045,741
Loan repayments	(8,810,494)	(8,809,595)
<b>Net cash provided by financing activities</b>	<b>126,448,447</b>	<b>105,507,315</b>
Net increase in cash and cash equivalents	258,989,662	26,425,389
Cash and cash equivalents at beginning of period	1,043,882,080	1,017,456,691
<b>Cash and cash equivalents at end of period</b>	<b>1,302,871,742</b>	<b>1,043,882,080</b>
<b>Comprising</b>		
	<u>2004</u> G\$	<u>2003</u> G\$
Cash on hand and at bank	301,943,433	175,832,653
Fixed deposits	428,819,203	355,676,854
Short term investment	572,109,106	512,372,573
	<u>1,302,871,742</u>	<u>1,043,882,080</u>

**NOTES ON THE ACCOUNTS**

1. Significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and the accounting policies conform with International Financial Reporting Standards (including International Accounting Standards and Interpretations) adopted by the Institute of Chartered Accountants of Guyana.

(b) Depreciation

Depreciation of fixed assets is on the straight line method calculated at the rates specified below which are estimated to write off the assets over their expected useful lives, via:-

Building	-	2%
Office furniture	-	15%
Fixtures and fittings	-	15%
Office machinery and Equipment	-	20%
Motor vehicles	-	25%
Computers	-	25%

(c) Translation of foreign currencies

Foreign currency transactions completed during the year are translated at the rates of exchange at the date of each transaction. At balance sheet date, all assets and liabilities denominated in foreign currencies are translated at the rates of exchange in effect on that date or as agreed by Bank of Guyana. Gains/losses are accounted for in the income and expenditure account.

(d) Loans receivable and interest

Loans are stated net of unearned and uncollected interest and of any provisions established to recognise anticipated losses.