

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA POWER AND LIGHT INCORPORATED**

Guyana Power & Light Inc.

SEP 12 2024

Corporate Secretary

**FOR THE YEAR ENDED
31 DECEMBER 2023**

**CONTRACTED AUDITORS: NIZAM ALI & CO.
ACCOUNTANTS
215 'C' CAMP STREET
NORTH CUMMINGSBURG
GEORGETOWN**

**AUDITORS: AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA**



AUDITED FINANCIAL STATEMENTS OF THE
GUYANA POWER AND LIGHT INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2023

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Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

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283/PC:64/2/2024

10 September 2024

Ms. Laurian Bancroft
Corporate Secretary
Guyana Power and Light Incorporated
15 Duke Street
Georgetown.

Dear Ms. Bancroft,

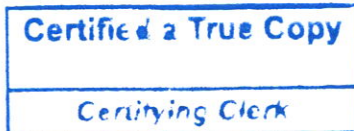
AUDIT OF THE FINANCIAL STATEMENTS OF THE
GUYANA POWER AND LIGHT INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2023

Please find attached ten copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,





Audit Office of Guyana

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 167/2024

10 September 2024

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE GUYANA POWER AND LIGHT INCORPORATED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

Chartered Accountants Nizam Ali & Company have audited on my behalf the financial statements of Guyana Power and Light Incorporated which comprise the statement of financial position as at 31 December 2023 and the statement of profit or loss & other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 6-38.

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

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 13 (ii) which explains that the recoverability of \$2.283 billion representing net amount due from the Guyana Sugar Corporation Incorporated is dependent on the outcome of ongoing discussions between the Company and the Government of Guyana.

I also draw attention to Note 34 which states that the Company has accumulated losses of \$43.234 billion resulting in a net shareholder's deficiency of \$43.234 billion. The continuation of the Company as a going concern is dependent on Government of Guyana financial support.

Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of my audit of the financial statements, I have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on my audit of the financial statements, I also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs 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 and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I 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 I identify during my audit.

Report on Other Legal and Regulatory Requirements

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



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA



Certified a True Copy

Certifying Clerk

Aug 



Nizam Ali & Company

Chartered Accountants

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North Cummingsburg
Georgetown

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**REPORT OF THE CHARTERED ACCOUNTANTS
NIZAM ALI AND COMPANY
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF THE GUYANA POWER AND LIGHT INC.
FOR THE YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITORS' REPORT

To the Shareholder of The Guyana Power and Light Inc.

Report on the Audit of the Financial Statements

Opinion

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

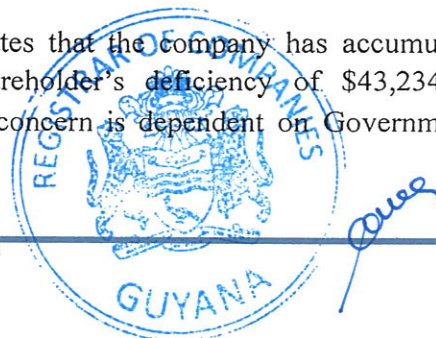
In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board of 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.

Emphasis of Matter

- (1) We draw attention to Note 13 (ii) which explains that the recoverability of \$2,282,626,833 representing net amount due from Guyana Sugar Corporation Inc is dependent on the outcome of ongoing discussions between the Company and the Government of Guyana.
- (2) We draw attention to Note 34 which states that the company has accumulated losses of \$43,234,213,700 resulting in a net shareholder's deficiency of \$43,234,213,700. The continuation of the company as a going concern is dependent on Government of Guyana financial support.



Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

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

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

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

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

Auditors' 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 can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



A handwritten signature in black ink, consisting of a stylized, cursive letter 'P' followed by a flourish.

Auditors' Responsibilities for the Audit of the Financial Statements, continued

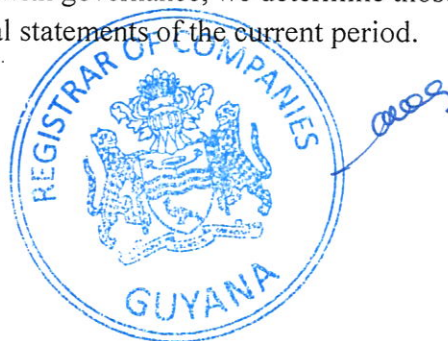
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period.



Report on Other Legal and Regulatory Requirements

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

Nigam Ali
Chartered Accountants
Georgetown, Guyana
August 26, 2024

Certified a True Copy
Certifying Clerk



Casey

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Guyana Power and Light, Inc.
Statement of Financial Position
As at December 31, 2023
With comparative figures for 2022
(Expressed in Guyana Dollars)

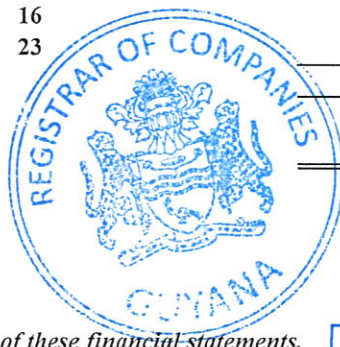
ASSETS	Notes	2023 <u>\$'000</u>	2022 <u>\$'000</u>
Non-current assets			
Property, plant and equipment	6	32,928,925	35,517,088
Intangible assets	7	832,296	832,295
Work-in-progress	8	19,814,702	13,232,793
Defined benefit asset	21	-	525,900
Deferred tax assets	9	14,490,040	10,119,211
		<u>68,065,963</u>	<u>60,227,287</u>
Current assets			
Inventories	10	9,892,247	9,726,052
Receivables and prepayment	11	2,822,599	2,462,573
Deposits	12	903,322	411,952
Related parties	13	6,514,115	6,139,776
Investments	14	828,000	828,000
Cash resources	15	3,530,210	1,855,034
		<u>24,490,493</u>	<u>21,423,387</u>
Total Assets		<u><u>92,556,456</u></u>	<u><u>81,650,674</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	17	23,118,244	23,118,244
Accumulated deficit		(43,234,214)	(31,821,941)
		<u>(20,115,970)</u>	<u>(8,703,697)</u>
Non-current liabilities			
Deferred tax	9	-	314,404
Related parties	13	33,890,100	37,832,590
Advances customer financed projects	18	669,805	758,147
Provision for decommissioning	19	242,900	242,900
Customer deposits	20	4,738,585	4,269,262
Defined benefit liability	21	402,400	-
		<u>39,943,790</u>	<u>43,417,303</u>
Current liabilities			
Related parties	13	49,473,568	28,626,943
Advances customer financed projects	18	468,566	539,526
Deferred income	22	44,837	34,510
Bank overdraft	16	3,507,580	-
Payables	23	19,234,085	17,736,089
		<u>72,728,636</u>	<u>46,937,068</u>
Total equity and liabilities		<u><u>92,556,456</u></u>	<u><u>81,650,674</u></u>

On behalf of the Board of Directors



CHAIRMAN

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




.....
DIRECTOR

Certified a True Copy
.....
Certifying Clerk

Guyana Power and Light, Inc.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2023
With comparative figures for 2022
(Expressed in Guyana Dollars)

	Notes	2023 <u>\$'000</u>	2022 <u>\$'000</u>
Revenue		43,178,672	37,949,891
Expenditure			
Generation costs	24	(41,535,444)	(39,653,188)
Other expenses		<u>1,643,228</u>	<u>(1,703,297)</u>
Employment costs	25	(6,836,886)	(5,769,294)
Repairs and maintenance - T & D		(817,290)	(448,553)
Depreciation	26	(4,679,933)	(3,566,905)
Administrative expenses	27	(2,936,758)	(2,551,214)
Rates and taxes		(47,450)	(46,077)
Property tax		-	-
Loss on exchange		-	-
Bad debts		(581,553)	(511,900)
PUC assessment and license		<u>(106,599)</u>	<u>(75,995)</u>
		<u>(16,006,469)</u>	<u>(12,969,938)</u>
Loss from operations		(14,363,241)	(14,673,235)
Interest expenses		(1,779,323)	(1,676,830)
		<u>(16,142,564)</u>	<u>(16,350,065)</u>
Other income		835,358	1,125,421
Loss before taxation		(15,307,206)	(15,224,644)
Taxation	28	4,487,658	3,032,701
Loss for the year		(10,819,548)	(12,191,943)
Other comprehensive loss			
Remeasurement of defined benefit	21(h)	(790,300)	2,010,900
Related tax	9	197,575	(502,725)
Other comprehensive loss net of tax		<u>(592,725)</u>	<u>1,508,175</u>
Total comprehensive loss		<u>(11,412,273)</u>	<u>(10,683,768)</u>
Loss per share	29	<u>(90)</u>	<u>(84)</u>

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



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Guyana Power and Light, Inc.
Statement of Changes in Shareholder's Equity
For the year ended December 31, 2023
With comparative figures for 2022
(Expressed in Guyana Dollars)

	Share capital <i>(Note 13)</i> <u>\$'000</u>	Accumulated Deficit <u>\$'000</u>	Total <u>\$'000</u>
At January 1, 2022	23,118,244	(21,138,173)	1,980,071
Total comprehensive loss			
Loss for the year	-	(12,191,943)	(12,191,943)
Other Comprehensive loss net of tax	-	1,508,175	1,508,175
At December 31, 2022	23,118,244	(31,821,941)	(8,703,697)
At January 1, 2023	23,118,244	(31,821,941)	(8,703,697)
Total comprehensive income			
Profit for the year	-	(10,819,548)	(10,819,548)
Other Comprehensive loss net of tax	-	(592,725)	(592,725)
At December 31, 2023	23,118,244	(43,234,214)	(20,115,970)



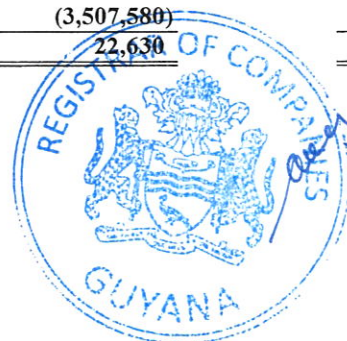
The accompanying notes form an integral part of these financial statements.

2023

Guyana Power and Light, Inc.
Statement of Cash Flows
For the year ended December 31, 2023
With comparative figures for 2022
(Expressed in Guyana Dollars) B219

	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
Cash flows from operating activities		
Loss before taxation	(15,307,206)	(15,224,644)
Adjustments for:		
Depreciation	4,679,932	3,566,905
Deferred income	10,328	1,274
Defined pension benefit liability	928,300	(1,808,400)
Interest expense	1,779,323	(1,676,830)
Amortisation of customer finance project	-	-
Gain (loss) on remeasurement of pension liability	(790,300)	2,010,900
Operating profit before working capital changes	(8,699,623)	(13,130,795)
Working capital changes		
Receivables and prepayments	(360,026)	4,235,944
Inventories	(166,195)	(5,267,046)
Payables and accruals	1,497,996	5,726,594
Related parties	20,472,289	10,706,188
Taxes paid	-	(479)
Net cash inflow from operating activities	<u>12,744,441</u>	<u>2,270,406</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(2,091,772)	(11,725,215)
Increase in work in progress	(6,581,909)	9,928,984
Increase in deposit	(491,370)	(39,781)
Net cash outflow from investing activities	<u>(9,165,051)</u>	<u>(1,836,012)</u>
Cash flow from financing activities		
Non-current related parties	(3,942,492)	(1,301,266)
Interest paid	(1,779,323)	1,676,830
Customer deposits	469,323	344,314
Customer financed projects	(159,302)	(475,078)
Net cash (outflow) inflow from financing activities	<u>(5,411,794)</u>	<u>244,800</u>
Net increase in cash and cash equivalents	(1,832,404)	679,194
Cash and cash equivalents - January 1	1,855,034	1,175,840
Cash and cash equivalents - December 31	<u>22,630</u>	<u>1,855,034</u>
Represented By:		
Cash on hand and at bank	3,530,210	1,855,034
Bank overdraft	(3,507,580)	-
	<u>22,630</u>	<u>1,855,034</u>

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



1. Incorporation and Principal Activity

(i) Incorporation

The company was incorporated in the Cooperative Republic of Guyana on September 29, 1999 under the Companies Act, 1991.

(ii) Principal activity

The principal activity of the company is the generation and distribution of electricity in Guyana.

2. Changes in accounting policies and disclosures

2.1 New and amended standards and interpretations adopted

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

	Effective Date
<i>IFRS 17 - Insurance Contracts</i>	
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 super-sedes IFRS 4	1-Jan-23
<i>Amendments</i>	
<i>Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)</i>	
Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4:	1-Jan-23
an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach.	
an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.	
The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.	
<i>Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)</i>	
The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	1-Jan-23
<i>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</i>	
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	1-Jan-23



2. Changes in accounting policies and disclosures, continued

2.1 New and amended standards and interpretations adopted, continued

Definition of Accounting Estimates (Amendments to IAS 8)

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

1-Jan-23

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

1-Jan-23

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

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

1-Jan-23

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

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

1-Jan-23

2.2 New and amended standards and interpretations not yet adopted

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

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

1-Jan-24

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

1-Jan-24

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

1-Jan-24

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

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

1-Jan-24



3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the previous year.

3.1 Basis of preparation

The financial statements are prepared in Guyana dollars in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention method as modified by the valuation of financial assets available for sale and financial assets at fair value through profit or loss and no account has been taken for the effects of inflation.

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements and income and expenses during the year. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The accounting standards as required by the Electricity Sector Reform Act, 1999 for tariff calculation has been applied as to:

- The terms and conditions of the company's licence
- Generally accepted accounting principles
- International Financial Reporting Standards (Inclusive of International Accounting Standards and Interpretations)

These financial statements were approved for issue by the Board of Directors on August 26, 2024.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

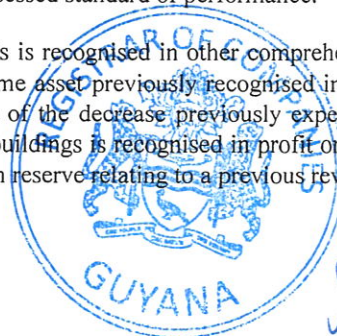
Expenditure on assets, which will benefit the company economically for a period greater than the current financial accounting period, is capitalised and written off over the useful life of the assets.

Individual assets or group of items making up a single identifiable asset of value less than \$10,000 is not capitalised but is expensed in the accounting period in which the costs are incurred.

The capitalised asset value of purchased assets is measured at the full cost of bringing the assets to working condition for the intended use. Self constructed assets are stated at the accumulated cost of purchased elements together with the element of internal cost incurred in constructing the asset. Borrowing costs that are directly attributable to the constructing of the tangible assets are capitalised as part of the cost of those asset. Capitalisation of borrowing costs ceases when the asset is brought into use.

Subsequent expenditure on existing assets is capitalised where the expenditure provides an enhancement of the economic benefits of the asset in excess of the previously assessed standard of performance.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expended. A decrease in the carrying amount arising on the revaluation of the land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.



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3. Summary of significant accounting policies, continued

3.2 Property, plant and equipment, continued

Depreciation on revalued building and machinery is recognised in the statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets on the same basis as other property assets commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the financial year and any changes in estimate is accounted for immediately.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

Depreciation on all property, plant & equipment is charged on a straight-line basis. The following rates used are expected to write off the value of the assets over their useful economic lives:

	Vested Assets	New Assets
Land	Unlimited	Unlimited
Buildings	33 years	33 years
Generation Plant – New	20 years	20 years
Generation Plant – Mobile	N/A	10 years
Generation Plant – Other	10 years	10 years
Transmission & Distribution Networks	13 years	13 years
Motor Vehicles	2 years	5 years
Office and Computer Equipment	3 years	3 years

Vested assets are those assets that were transferred from the Guyana Electricity Corporation to Guyana Power and Light Inc.



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3. Summary of significant accounting policies, continued

3.3 Impairment of long-lived assets

At the end of each reporting period, the company reviews the carrying amounts of its long-lived 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of the future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that has been determined had no impairment loss been recognised for the asset (or cash-generating unit) in the prior years. Reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at the revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.4 Work-in-progress

Depreciation is not charged on work-in-progress. The useful life of assets capitalised from work in progress commences when the assets have been put into use.

3.5 Leased assets

Plant and equipment acquired under finance leases are included in the statement of financial position at their equivalent capital value and are depreciated over their expected useful lives. The interest element of the finance lease payments is charged to the statement of profit or loss and other comprehensive income. Operating lease rentals are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the lease term.

3.6 Inventories

These are valued at the lower of cost and net realisable value. The weighted average cost method is primarily used to determine cost.



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3. Summary of significant accounting policies, continued

3.7 Receivables and provision for bad and doubtful debts

Receivables are recorded at the invoice amount and do not bear interest. The Company reviews the accounts receivable and determines the necessity and amount of an allowance for doubtful accounts as their best estimate of probable credit losses in the existing accounts receivable.

Provision is made in these financial statements for amounts included in receivables of which the eventual cash realisation is considered remote. The provision has been estimated at 1.5% of turnover (excluding revenue from prepaid sales) based on previous experience and is provided for in the statement of profit or loss and other comprehensive income as at December 31, 2023.

3.8 Foreign currency

Functional and presentation currency

The company's financial statements are presented in Guyana Dollars. This is the currency of the primary economic environment in which the entity operates (its functional currency).

Transactions and balances

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

3.9 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows 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, a receivable can be recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.10 Revenue

Revenue comprises billed sales of electricity and services to customers. Rates payable by customers are determined by reference to the company's license.



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3. Summary of significant accounting policies, continued

3.11 Taxation

Taxation expense represents the sum of the statutory tax charge and deferred tax.

Statutory tax

The tax payable is based on the taxable profit for the year. Taxable profit differs from the net profit as reported in the statement of profit or loss and other comprehensive income because it includes items of income and expenses that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The current tax charge is calculated using tax rate that have been enacted at the date of the statement of financial position.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and the tax laws) that have been enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current tax liability.

Statutory and deferred tax for the period

Current and deferred taxes are recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when they relate to items that are recognised outside the statement of profit or loss and other comprehensive income (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside the statement of profit or loss and other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for business combination.

3.12 Employee benefits

The company's pension scheme is managed independently by the Hand-in-Hand Trust Corporation Inc. Pension costs are assessed in accordance with the advice of independent actuaries. The Trust Deed requires an actuarial valuation at least once every three years. The latest actuarial valuation for the scheme was done as at December 31, 2014 which revealed a past service deficit.



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3. Summary of significant accounting policies, continued

3.12 Employee benefits, continued

The provisions in respect of the guaranteed post-employment benefits and the termination gratuities represent the present value of the obligations at the statement of financial position's date minus the fair value of any assets held to cover the obligations, together with adjustment for actuarial gains/losses. The obligations have been calculated by an independent actuary using hybrid method as charged or credited to income over the average remaining lives of the related employees.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and return of plan assets (excluding interest) are recognised immediately through other comprehensive income.

3.13 Advances customer financed projects

The non-refundable amounts contributed by the Inter American Development Bank through the Government of Guyana, Guyana Power and Light Inc., the Government of Guyana and private customers in respect of capital works carried out under the Unserved Areas Electrification Programme (U.A.E.P.), are accounted for as deferred income which is amortised over the same period that the related asset is depreciated.

3.14 Cash and cash equivalents

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

3.15 Comparatives

Certain comparatives were also reclassified to conform with current year presentation.



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4. **Critical accounting estimates and judgement in applying accounting policies**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the company's accounting policies. Management evaluates estimates and judgement incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) *Statutory taxes*

Provision is made for taxes at the tax rate effective at the date of the statement of financial position. Any additional tax due is provided for as a current tax expense.

(ii) *Provisions*

Provisions are made for expenses relating to the current year for which there is no set amount to be incurred. These amounts are best estimates based on the closest comparable amount.

Judgement in applying the company's policies

The company exercises judgement in the following areas:

- Provisions for bad debts
- Depreciation
- Pension obligation
- Intangible assets
- Deferred income



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

6. Property, plant and equipment

2023

	Land and buildings \$'000	Generation facilities \$'000	Transmission & distribution facilities \$'000	Motor vehicles \$'000	Furniture & equipment \$'000	Total \$'000
Cost/Valuation						
January 1,	2,808,400	44,619,648	33,443,823	1,291,909	1,472,670	83,636,450
Additions	13,117	25,632	1,826,135	77,900	148,988	2,091,772
Disposals						
December 31,	2,821,517	44,645,280	35,269,958	1,369,809	1,621,658	85,728,222
Depreciation						
As at January 1,	688,568	22,680,373	22,469,832	948,122	1,332,470	48,119,365
Charged for the year	76,548	2,505,331	1,853,674	138,805	105,574	4,679,932
Wrote backs						
December 31,	765,116	25,185,704	24,323,506	1,086,927	1,438,044	52,799,297
Net Book Values:						
As at December 31, 2023	2,056,401	19,459,576	10,946,452	282,882	183,614	32,928,925



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Guyana Power and Light, Inc.
 notes to financial statements
 for the year ended December 31, 2023
 expressed in Guyana Dollars)

Property, plant and equipment, continued

2022

	Land and buildings \$'000	Generation facilities \$'000	Transmission & distribution facilities \$'000	Motor vehicles \$'000	Furniture & equipment \$'000	Total \$'000
Cost/Valuation						
January 1,	2,711,010	33,912,198	32,606,705	1,291,910	1,389,415	71,911,238
Additions	97,390	10,707,450	837,118	-	83,257	11,725,215
December 31,	2,808,400	44,619,648	33,443,823	1,291,910	1,472,672	83,636,453
Depreciation						
As at January 1,	614,882	21,176,623	20,703,909	811,855	1,245,191	44,552,460
Charged for the year	73,686	1,503,750	1,765,923	136,267	87,279	3,566,905
December 31,	688,568	22,680,373	22,469,832	948,122	1,332,470	48,119,365
Net Book Values:						
As at December 31, 2022	2,119,832	21,939,275	10,973,991	343,788	140,202	35,517,088

Intangible assets

At beginning and end of year

	2023 \$ '000	2022 \$ '000
	832,295	832,295
	<u>832,295</u>	<u>832,295</u>

This represents the cost of Customer Information System (CIS) and Pre-paid software that were capitalised based on the recognition criteria set out under the International Accounting Standard (IAS) 38. This Standard prescribes an assessment for impairment at the end of each reporting year in accordance with IAS 36.



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

8. Work-in-progress	2023 \$'000	2022 \$'000
Balance - January 1	13,232,793	23,161,777
Additions	8,912,260	1,101,522
Transfers to property, plant and equipment	(477,587)	(10,862,154)
Transfers to inventory and expense	(1,852,764)	(168,352)
Balance - December 31	<u>19,814,702</u>	<u>13,232,793</u>

Work-in-progress represents amount spent on tangible fixed assets which have not been completed at the end of the financial year.

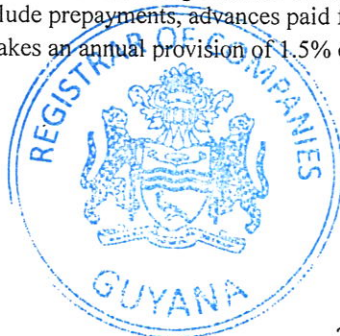
9. Deferred tax assets and liabilities are attributable to the following:	2023 \$'000	2022 \$'000
Deferred tax		
Balance at beginning of year	9,804,807	7,274,831
Movement - Profit or loss	4,487,658	3,032,701
- Other comprehensive income	197,575	(502,725)
Balance at end of year	<u>14,490,040</u>	<u>9,804,807</u>
Components of deferred tax		
Unused tax losses	14,154,078	10,119,211
Pension liability	100,600	(131,475)
Timing difference	235,362	(182,929)
	<u>14,490,040</u>	<u>9,804,807</u>

10. Inventories	2023 \$'000	2022 \$'000
Fuel	1,306,973	1,635,039
Capital items and spares	6,206,609	3,022,817
Goods in-transit	2,378,665	5,068,196
	<u>9,892,247</u>	<u>9,726,052</u>

The recoverable amount for the inventory on hand at the end of the year approximates the current market prices. Majority of these items are expected to be utilised within twelve (12) months.

11. Receivables	\$'000	\$'000
(i) Customer accounts	14,134,757	12,435,791
(ii) Others	211,387	968,773
	<u>14,346,144</u>	<u>13,404,564</u>
Less		
(iii) Provision for bad debt	(11,523,545)	(10,941,991)
	<u>2,822,599</u>	<u>2,462,573</u>

- (i) This amount represents outstanding balances on billed sales
(ii) This amount include prepayments, advances paid for supplies and Value Added Taxes refundable by the GRA.
(iii) The company makes an annual provision of 1.5% of turnover net of prepaid sales.



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

12. Deposits

	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
(i) Letters of Credit	12	12
(ii) Republic Bank (Guyana) Ltd. - Cash Collateral A/cs	1,429	1,431
(iii) Bank of Guyana IDB Project (EMISDE)	78,426	105,356
(v) Bank of Guyana IDB Project (Power Utility Upgrade Program)	823,455	305,153
Total	<u>903,322</u>	<u>411,952</u>

- (ii) Represents amounts held against letters of credit for the purchase of supplies from Hexing Electrical Company Limited for the use in the Unserved Areas Electrification Programme.
- (iii) These represent funds received from the Government of Guyana in respect of the Unserved Areas Electrification Programme and the Additional Unserved Areas Electrification Programme. The use of these funds is restricted to these programmes.
- (v) The Government of the Co-operative Republic of Guyana (GOG) and the Inter-American Development Bank signed a financing agreement on the October 10, 2014 for the execution of the Power Utility Upgrade Program for the enhancement of operational efficiency and corporate performance. The Program is also co-financed by the European Union's Caribbean Investment Facility (CIF) through a Project Specific Grant (PSG). This deposit balance represents funding received and unspent at the year end.

13. Related parties

	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
(a) Current assets		
(i) Agent - Bill Direct	183,636	183,636
Impairment provision	<u>(183,636)</u>	<u>(183,636)</u>
	-	-
(ii) Receivable- Guyana Sugar Corporation	2,282,627	2,282,627
(iii) Skeldon Energy Inc.	4,026,325	3,845,824
(iv) Giftland	<u>205,163</u>	<u>11,325</u>
	<u>6,514,115</u>	<u>6,139,776</u>
(b) Current liabilities		
(i) Guyana Electricity Corporation - Customer deposits	12	12
(ii) Government of Guyana - Petro Caribbean Loan	13,099,801	12,469,835
(iii) Government of Guyana - Infrastructural development project	6,433,597	3,216,799
(iv) Government of Guyana - Capital expenditure	5,711,401	3,940,297
(v) Government of Guyana - Electricity advance	<u>24,228,757</u>	<u>9,000,000</u>
	<u>49,473,568</u>	<u>28,626,943</u>
(c) Non-current liabilities		
(i) Government of Guyana - Infrastructural development project	-	3,216,799
(ii) Government of Guyana - Petro Caribbean Loan	7,720,565	4,958,928
(iii) Government of Guyana - SOESIQSP Loan	1,209,990	1,182,196
(iv) Government of Guyana - PUUP Loan	13,323,655	13,077,523
(v) Government of Guyana - Capital expenditure	-	3,780,269
(vi) Government of Guyana - EMISDE	637,981	619,245
(vii) Government of Guyana - ISDB	17,237	17,237
(viii) Government of Guyana- GCRG/GPL Loan No. 1/2020	<u>10,980,672</u>	<u>10,980,393</u>
	<u>33,890,100</u>	<u>37,832,590</u>



13. Related parties, continued

- (a) (i) This represents amount owed by collection agent - Bill Direct, for remittances received from GPL's customers which were not remitted to GPL. Despite receiving judgment from the High Court in its favour, management has assessed the recoverability of this amount as remote and has accordingly recognised an impairment provision.
- (ii) This represents amount owing by Guyana Sugar Corporation for Heavy Fuel Oil loaned and/or utilised from GPL's inventory and for electricity purchased under the Power Purchase Agreement. As of April 2015, the Power Purchase agreement came to an end. No interest is charged on this amount. During the year Guysuco did not make any payment towards the balance outstanding. Management is currently engaged in discussions with the Government of Guyana to determine the terms of settlement of this amount. Management believes that on conclusion of these discussions the company will be able to recover the full amount, hence no provision for impairment has been recognised.
- (iii) This amount comprises of: (1) a loan of eleven million United States Dollars (USD11M)- The terms of repayment of this loan is currently being finalised; and (2) expenses paid on behalf of the Skeldon Energy Inc. (SEI) and (3) cost of purchased power for the period April 2015 to December 2016.
- (b) (i) This represents the amount remaining due to the Guyana Electricity Corporation for amounts collected on its behalf in respect of electricity sold prior to the incorporation of Guyana Power & Light, Inc. in accordance with the Operation and Agency Agreement. These were written off in 2009 and the balance represents the amount that is still owing as a result of a stale dated cheque.
- (ii) & This represents financing under the Petrocaribe Loan Agreement between the Government of Guyana and the Guyana Power & Light Inc. for the procurement of 20.7MW and 15.6MW Kingston Wartsila Power Plants, 26MW Vreed-en-Hoop Wartsila Power Plant, and five (5) Caterpillar sets. Interest is charged at 3% per annum and repayment is over a fifteen (15) year period.
- (iii) & This represent financing under the GPL Infrastructure Development Project -Government Concessional Loan Agreement between the Government of Guyana and the Export-Import Bank of China (EXIM) for the development of the company's high voltage 69kv transmission lines, 36/138kv substations and all relevant interconnections. Interest is charged at 4% per annum and repayment is over a twelve (12) year period, with a five (5) year moratorium.
- (b) This represent two loans from the Government of Guyana for capital expenditure in the sum of: (1) four billion seven hundred and seventy million Guyana Dollars (G\$4,770,000,000) and (2) twelve million and sixty five thousand United States Dollars (USD12,065,000).

The terms of repayment of these loans are as follows:

- (1) Interest at the rate of 3% per annum shall be capitalised as part of the loan for the first two years. The sum of \$4,770,000,000 plus interest capitalised for the first two years shall be repaid in fifteen equal annual installments commencing on November 14, 2016. The rate of interest on this loan is 3% per annum.
- (2) Interest at the rate of 3% per annum shall be capitalised as part of the loan for the first two years. The sum of USD12,065,000 plus interest capitalised for the first two years shall be repaid in fifteen equal annual installments commencing on October 29, 2017. The rate of interest on this loan is 3% per annum.
- (c)(iii) This represents US\$5 million financing under the Sustainable Operation of the Electricity Sector and Improved Quality of Service Project funded, through a Concessional Loan Agreement between the Government of Guyana (GOG) and the Inter- American Development Bank (IDB). The Project covers three (3) components (a)- Capacity Building and Energy Conservation, (b) Rehabilitation of the Low Voltage Distribution Network, and (c) Commercial Loss Reduction Actions. This loan is proposed to attract an interest rate at 1% above the London Interbank Offer Rate (LIBOR)) The total loan was disbursed as at December 31, 2017.

Guyana Power and Light, Inc.
Notes to financial statements
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(Expressed in Guyana Dollars)

13. Related parties, continued

(c)(iv) This represents US\$64,572 million financing under the Power Utility Upgrade Program funded through a Financing Agreement between the Government of the Co-operative Republic of Guyana (GOG) and the Inter- American Development Bank (IDB) and co- financed by the European Union's Caribbean Investment Facility (CIF). The Program covers three (30 Components (a) - Strengthening GPL's Management Capabilities, (b) Operational Efficiency, and (c) Infrastructure Investment for Loss Reduction. This loan is proposed to attract an interest rate at 1% above the London Interbank Offer Rate (LIBOR). A Total of US\$6,899 million was disbursed to date.

14. Investment

	2023 \$'000	2022 \$'000
Skeldon Energy Inc. 44.5% shares	828,000	828,000

This represents GPL's investment in Skeldon Energy Inc. (SEI) of 44.45% share capital based on Cabinet Decision made on February 3, 2015. SEI officially took control of the generating assets of GuySuSo effective April 1, 2015.

15. Cash resources

	2023 \$'000	2022 \$'000
Cash at bank	3,517,518	1,842,892
Cash in hand	12,692	12,142
	<u>3,530,210</u>	<u>1,855,034</u>

16. Overdraft

	2023 \$'000	2022 \$'000
Bank Overdraft	3,507,580	-

This represents an overdraft facility with Guyana Bank for Trade & Industry Ltd for Four billion Guyana Dollars (\$4,000,000,000) with an interest rate of 7.75% per annum. This facility is secured by a first and second denventures over the moveable assets contained in the facility at Kingston situate at Mudlots known as Nos 1,2,3, and 4 (also known as Lots Nos 8,7,6 and 5) Kingston, Georgetown in the name of Guyana Power & light Inc. registered and stamped to cover two billion six hundred million (\$2,600,000,000) and one billion four hundred million (\$1,400,000,000) respectively.



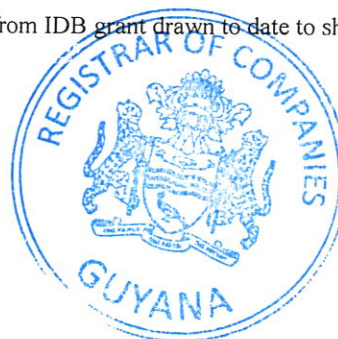
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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

17. Stated / issued capital	Number	Minimum Issue Price \$	2,023	2,022
			\$'000	\$'000
Authorised:				
(i) Common shares	Unlimited	100	-	-
(ii) Class A Preference Shares	12,000,000	100	-	-
(iii) Class B Preference Shares	12,000,000	100	-	-
Special Share	1	100	-	-
Issued:				
(iv) Common shares	55,074,228	182	9,999,361	9,999,361
(v) Net liabilities to common shares	18,496,667	182	3,366,394	3,366,394
(vi) Promissory note to common shares	3,450,000	180	621,000	621,000
(vii) Conversion of subsidy	8,241,758	182	1,500,000	1,500,000
(viii) Conversion of subsidy	32,967,033	182	6,000,000	6,000,000
New issues:				
(ix) Conversion of subsidy	5,494,505	182	1,000,000	1,000,000
(x) Conversion of grant	3,469,720	182	631,489	631,489
	<u>127,193,911</u>		<u>23,118,244</u>	<u>23,118,244</u>

All shares are owned by the Co-operative Republic of Guyana.

- (i) The company is authorised to issue an unlimited amount of common shares at a minimum price of G\$100.
- (ii) In 2004, all Class A preference shares were automatically and permanently converted to 12,000,000 common shares of G\$180 each.
- (iii) In 2005, all class B preference shares were converted to common shares retroactively to October 1, 2004.
- (v)& (vi) In 2010 the Government of Guyana approved the retroactive conversion of G\$3.336B in net liabilities and a G\$621M promissory note to common shares.
- (vii) During 2011 the company converted G\$1.5B of fuel subsidy granted by the Government of Guyana (GOG) to share capital.
- (viii) During 2012 the company converted G\$6B of fuel subsidy granted by the Government of Guyana (GOG) to share capital.
- (ix) During 2013 the company converted G\$1B of subsidy granted by the Government of Guyana (GOG) to share capital.
- (x) During 2014 the company converted proceeds from IDB grant drawn to date to share capital.



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
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18. Advances customer financed projects

In accordance with the accounting policy described in note 3.13, the following capital contributions received from the Inter-American Development Bank, the Government of Guyana and private customers are amortised over the period that the related asset (transmission and distribution network) is depreciated.

	2023	2022
	\$'000	\$'000
Contributions:		
At January 1	10,000,672	9,936,224
Contributions during the year	394,883	64,448
At December 31	<u>10,395,555</u>	<u>10,000,672</u>
Amortisation:		
At January 1	(8,702,999)	(8,163,473)
Amortisation during the year	(554,184)	(539,526)
At December 31	<u>(9,257,183)</u>	<u>(8,702,999)</u>
Net deferred income at December 31	<u>1,138,372</u>	<u>1,297,673</u>
	2023	2022
	\$'000	\$'000
Net advance customer finance projects		<u>1,297,673</u>
(a) Current liabilities		
Capital Contributions (CFP)	189,504	257,263
Capital Contributions (UAEP) Government	6,389	9,590
Capital Contributions (GOG)	272,673	272,673
	<u>468,566</u>	<u>539,526</u>
(b) Non-Current liabilities		
Capital Contributions (CFP)	21,056	8,704
Capital Contributions (UAEP) Government	710	7,100
Capital Contributions (GOG)	648,039	742,343
	<u>669,805</u>	<u>758,147</u>

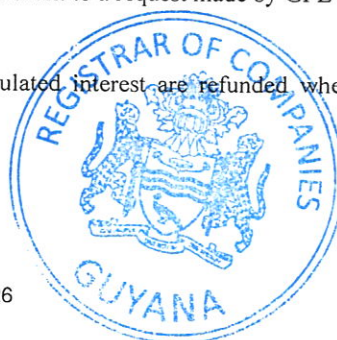
19. Provision for decommissioning

This provision was made at incorporation to be utilised for the future cost of decommissioning certain generation facilities as and when they arise. Management, on an ongoing basis, review and assess the adequacy of this amount. As at December 31, 2023 management considered this amount to be adequate.

20. Customer deposits

This represents monies for security deposits collected from customers prior to the provision of service. Up to October 31, 2011 interest was accrued at the rate of 7% per annum. Pursuant to a request made by GPL to the Public Utilities Commission the rate of interest has been reduced to 2.4% per annum.

Amounts initially paid by customers along with accumulated interest are refunded when customers cease to utilise the service.



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

21. Defined benefit pension scheme

(a) Description of scheme

The Guyana Power and Light, Inc. Pension Plan is managed independently by the Hand in Hand Trust Corporation Inc. and continues to operate under the original name Guyana Electricity Corporation Superannuation Scheme as a hybrid between a defined contributions scheme and a final pension scheme in that the benefit paid on retirement is either:

- (i) A pension payable for life based on completed service and final average salary at retirement, or
- (ii) The benefit otherwise payable on termination of service, which is a refund of the members' own contributions with interest plus, if the member has more than 10 years pensionable service, the company's contributions along with the interest.

(b) Funding

Members pay regular contribution of 5% of salaries. The company meets the balance of the cost of funding the defined benefits. Currently it pays a contribution of 7% of salaries. The company expects to pay \$331 million to the pension plan in 2024.

(c) Items for inclusion in the statement of financial position.

	2023 \$'000	2022 \$'000
Present value of defined benefit obligation	7,030,400	6,757,500
Fair value of assets as per actuarial valuation	<u>(6,628,000)</u>	<u>(7,283,400)</u>
Net IAS 19 defined benefit liability	<u>402,400</u>	<u>(525,900)</u>

(d) Movement in present value of defined benefit obligation

	2023 \$'000	2022 \$'000
Opening defined benefit liability	6,757,500	6,773,100
Current service cost	329,600	292,900
Interest cost	330,900	333,000
Members' contribution	115,200	105,800
Re- measurements	(220,600)	(519,900)
Benefits paid	<u>(282,200)</u>	<u>(227,400)</u>
	<u>7,030,400</u>	<u>6,757,500</u>

(e) Liability profile

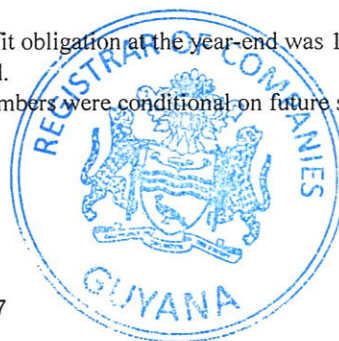
The defined benefit obligation was allocated between the scheme's members as follows:

- Active members 85%
- Pensioners 15%

The weighted average duration of the defined benefit obligation at the year-end was 19 years.

66% of the benefits for active members were vested.

39% of the defined benefit obligation for active members were conditional on future salary increases.



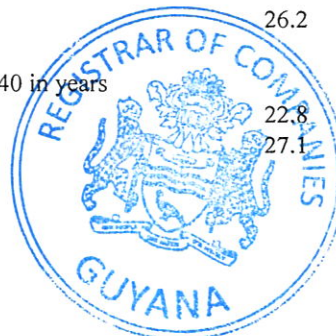
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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

21. Defined benefit pension scheme, continued	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
(f) Movement in fair value of plan assets		
Fair value of plan assets at start of year	7,283,400	5,490,600
Interest income	364,000	275,200
Return on plan assets, excluding interest income	(1,010,900)	1,491,000
Company's contribution	158,500	148,200
Members' contribution	115,200	105,800
Benefits paid	(282,200)	(227,400)
	<u>6,628,000</u>	<u>7,283,400</u>
Asset allocation		
Local equities	3,490,400	4,232,800
Local bonds	220,900	236,900
Overseas equities and bonds	368,500	380,100
Money market instruments	2,297,400	2,230,700
Cash and net current assets	250,800	202,900
	<u>6,628,000</u>	<u>7,283,400</u>
(g) Items for inclusion in the statement of profit and loss and other comprehensive income		
	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
Current service cost	329,600	292,900
Net interest on net defined benefit obligation	(33,100)	57,800
	<u>296,500</u>	<u>350,700</u>
(h) Re-measurement recognised in other comprehensive income		
	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
Experience (gain) loss	<u>790,300</u>	<u>(2,010,900)</u>
(i) Summary of main assumptions		
	2023	2022
	<u>% pa</u>	<u>% pa</u>
Discount rate	5	5
Salary increases	8	8
Proportion of retirees opting for pension rather than joint balance	90	90

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at December 31, 2023 are as follows:

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



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

21. Defined benefit pension scheme, continued

(j) Sensitivity analysis

The calculation of defined benefit obligation is sensitive to the assumptions used. The following table summaries how the defined benefit obligations as at December 31, 2023 would have changed as a result of a change in the assumptions used.

	1% pa higher <u>\$'000</u>	1% pa higher <u>\$'000</u>
Discount rate	1,539,200	1,470,000
Future salary increases	(483,200)	(475,900)
Future pension increases	n/a	n/a
	10% higher <u>\$'000</u>	10% higher <u>\$'000</u>
Proportion of retirees opting for pension rather than joint balances	(329,800)	(304,900)

An increase of one (1) year in the assumed life expectancies shown above would increase the defined benefit obligation at December 31, 2023 by 160 million dollars.

22. Deferred income

	2023 <u>\$'000</u>	2022 <u>\$'000</u>
Deferred income	44,837	34,510

This represents prepaid services sold at the end of the year but not consumed. The company's policy is to account for 10% of prepaid sales in any given month as deferred income. Additionally the company has deferred income of advance customer deposits. See note 18.

23. Payables

	2023 <u>\$'000</u>	2022 <u>\$'000</u>
Trade payables	6,301,891	6,714,104
Employment costs	412,036	168,758
Other accruals	12,520,158	10,853,227
	<u>19,234,085</u>	<u>17,736,089</u>

24. Generation costs

	2023 <u>\$'000</u>	2022 <u>\$'000</u>
Fuel	33,558,595	34,508,774
Fuel agency fee	66,141	73,124
Operations and maintenance contract	4,027,383	2,953,627
Purchased power	2,815,312	1,598,477
Repairs and maintenance - generation facilities	1,079,226	483,908
Rental of equipment - generation	(11,213)	35,278
	<u>41,535,444</u>	<u>39,653,188</u>



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Guyana Power and Light, Inc.
Notes to financial statements
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25. Employment costs	2023	2022
	\$'000	\$'000
Gross salaries	6,265,627	5,260,879
Social security costs	283,613	177,575
Pension costs	139,903	202,500
Superannuation	147,743	128,340
	6,836,886	5,769,294

The number of permanent employees at the end of the period was 806 (2014 - 799).

26. Depreciation	2023	2022
	\$'000	\$'000
Buildings	76,548	73,686
Plant and machinery	2,505,328	1,503,750
Transmission and distribution networks	1,853,677	1,765,923
Motor vehicles	138,806	136,267
Equipment	65,020	45,735
Computer equipment	40,554	41,544
	4,679,933	3,566,905

27. Administrative expenses	2023	2022
	\$'000	\$'000
Administrative expenses	2,936,758	2,551,214

The following expenses were charged in the above amounts:

Repairs and maintenance	- Motor vehicles & tools	177,344	197,890
	- Buildings	101,323	113,404
	- Equipment	42,052	41,908
Audit Fees and audit expenses		11,106	9,740

28. Taxation	2023	2022
	\$'000	\$'000
Deferred tax asset -Current year	(4,487,658)	(3,032,701)
Withholding tax	-	478
Total deferred tax	(4,487,658)	(3,032,223)

Reconciliation of effective tax rate

	2023	2022
	\$'000	\$'000
Loss before taxation	(15,307,206)	(15,224,644)
Corporation tax calculated at the enacted rate	(3,826,802)	(3,806,161)
Property tax	-	-
Withholding tax	-	478
Net effect of expenses not deductible for tax purposes	(660,856)	256
Deferred tax not recognised	-	772,726
Total tax included in the statement of profit or loss and other comprehensive income	(4,487,659)	(3,032,701)



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
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29. Loss per share in dollars

Loss per share is calculated by dividing the total comprehensive income by the weighted average number of common shares outstanding during the year.

	2023 \$'000	2022 \$'000
Total comprehensive loss	<u>(11,412,273)</u>	<u>(10,683,768)</u>
Divided by:		
Weighted average number of ordinary shares	<u>127,193,911</u>	<u>127,193,911</u>
Loss per share in dollars	<u>(90)</u>	<u>(84)</u>

30. Foregone revenue

During the period, the Company maintained its policy of foregoing revenues where actual rates charged to customers were lower than that determined by the Licence. Under its Licence, the company has the option of including foregone revenues as a notional expense in determining future rates of electricity payable by customers.

Foregone revenues for the years 2003 to 2023 amounted to G\$71 bln of which G\$13.1 bln were expensed in prior years as notional expense in computing the Final Return Certificate resulting in a balance of G\$57.9 bln.

31. Compensation to key management personnel

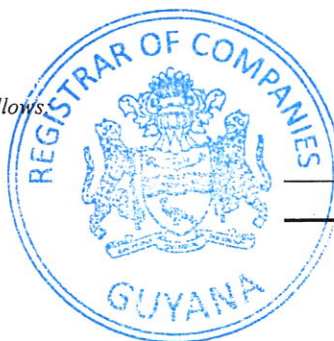
The remuneration paid to 40 (2022- 41) key management personnel during the year was as follows:

	2023 \$'000	2015 \$'000
(a) Short-term employee benefits	773,729	641,298
(b) Post-employment benefits	13,921	11,855
	<u>787,650</u>	<u>653,153</u>

32. Contingencies

(a) The company is a defendant or plaintiff in several matters for which the ultimate liability or asset of the company, if any, has not been determined. Management does not believe that the outcome of these proceedings will have material adverse effect on the company's result of operations and accordingly no provision is necessary.

	2023 \$'000	2022 \$'000
(b) Operating lease commitments		
<i>Operating lease commitments are as follows:</i>		
Less than one year	11,563	2,130
2 to 5 years	90,878	97,210
	<u>102,441</u>	<u>99,340</u>



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

33. Financial instruments and financial risk management

Categories of financial instruments

Financial instruments as at the date of the statement of financial position include loans, receivables, borrowings, related party balances and payables.

The company classifies financial instruments as follows:

(i) Held to maturity assets

These comprise primarily of non- derivative instruments with fixed or determinable payments and fixed maturities that management intends to hold to maturity.

(ii) Loans and receivables

These comprise of non- derivative instruments with fixed or determinable payments that are not quoted in an active market.

(iii) Financial liabilities at amortised cost

Financial liabilities which are not classified as fair value through profit and loss are classified as financial liabilities measured at amortised cost.

	Loans and receivables \$'000	Financial liabilities \$'000	Total \$'000
December 31, 2023			
Financial assets			
Receivables	2,822,599	-	2,822,599
Deposits	903,322	-	903,322
Related parties	6,514,115	-	6,514,115
Investment	828,000	-	828,000
Cash resources	3,530,210	-	3,530,210
	14,598,246	-	14,598,246
Financial liabilities			
Advances customer financed projects	-	1,138,371	1,138,371
Provision for decommissioning	-	242,900	242,900
Customer deposits	-	4,738,585	4,738,585
Related parties	-	83,363,668	83,363,668
Deferred income	-	44,837	44,837
Bank overdraft	-	3,507,580	3,507,580
Payables and accruals	-	19,234,085	19,234,085
	-	112,270,026	112,270,026



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

33. Financial instruments and financial risk management, continued

	Loans and receivables \$'000	Financial liabilities \$'000	Total \$'000
December 31, 2022			
Financial assets			
Receivables	2,462,573	-	2,462,573
Deposits	411,952	-	411,952
Related parties	6,139,776	-	6,139,776
Investment	828,000	-	828,000
Cash resources	1,855,034	-	1,855,034
	11,697,335	-	11,697,335
Financial liabilities			
Advances customer financed projects	-	1,297,673	1,297,673
Provision for decommissioning	-	242,900	242,900
Related parties	-	66,459,533	66,459,533
Customer deposits	-	4,269,262	4,269,262
Deferred income	-	34,510	34,510
Payables and accruals	-	17,736,089	17,736,089
	-	90,039,967	90,039,967

Risks arising from financial instruments

The company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, and foreign exchange risk. These risks are inherent to the company's operation and management of these risks lies with the Board of Directors whose objective is to identify, assess, monitor and control in an effort to minimise these risks in order to increase profitability.

The main financial risks affecting the company are as follows:

(i) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.



Guyana Power and Light, Inc.
Notes to financial statements
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(Expressed in Guyana Dollars)

33. Financial instruments and financial risk management, continued

(i) Credit risk, continued

Except as detailed in the following table, the carrying amount of financial assets recognised in the financial statements which is net of impairment loss, represents the company's maximum exposure to credit risk. The company does not require collateral.

The following tables shows the company's maximum exposure. It does not include those assets that are not deemed to give rise to credit risks.

On statement of financial position

	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
Receivables	2,822,599	2,462,573
Deposits	903,322	411,952
Related parties	6,514,115	6,139,776
Investment	828,000	828,000
Cash resources	3,530,210	1,855,034
	<u>14,598,246</u>	<u>11,697,335</u>

Cash resources and deposits are held with reputable financial institutions. Related parties balances and investment are held with GOG and Government related agencies and receivables stated net of provisions represents customer balances and other receivables. See note 11.



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Guyana Power and Light, Inc.
Notes to financial statements
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33. Financial instruments and financial risk management, continued

(ii) Liquidity risk

Management of the company's liquidity lies with the Board of Directors. This is managed using forecasted cash flows and negotiated credit from financial institutions.

December 31, 2023	Up to one year \$'000	Two to five years \$'000	Over five years \$'000	Total \$'000
Assets				
Receivables and prepayments	2,822,599	-	-	2,822,599
Deposits	903,322	-	-	903,322
Related parties	6,514,115	-	-	6,514,115
Investments	-	-	828,000	828,000
Cash and bank	3,530,210	-	-	3,530,210
Total assets	13,770,246	-	828,000	14,598,246
Liabilities				
Advances customer financed project	468,566	-	669,805	1,138,371
Provision for decommissioning	-	-	242,900	242,900
Customer deposits	-	-	4,738,585	4,738,585
Related parties	49,473,568	-	33,890,100	83,363,668
Deferred income	44,837	-	-	44,837
Bank overdraft	3,507,580	-	-	3,507,580
Payables and accruals	19,234,085	-	-	19,234,085
Total liabilities	72,728,636	-	39,541,390	112,270,026
Net assets/ (liabilities)	(58,958,390)	-	(38,713,390)	(97,671,780)



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

33. Financial instruments and financial risk management, continued

(ii) Liquidity risk, continued

December 31, 2022	Up to one year \$'000	Two to five years \$'000	Over five years \$'000	Total \$'000
Assets				
Receivables and prepayments	2,462,573	-	-	2,462,573
Deposits	411,952	-	-	411,952
Related parties	6,139,776	-	-	6,139,776
Investments	-	-	828,000	828,000
Cash and bank	1,855,034	-	-	1,855,034
Total assets	10,869,335	-	828,000	11,697,335
Liabilities				
Advances customer financed project	539,526	-	758,147	1,297,673
Provision for decommissioning	-	-	242,900	242,900
Customer deposits	-	-	4,269,262	4,269,262
Related parties	28,626,943	12,790,209	25,042,381	66,459,533
Deferred income	34,510	-	-	34,510
Payables and accruals	17,736,089	-	-	17,736,089
Total liabilities	46,937,068	12,790,209	30,312,690	90,039,967
Net assets/ liabilities	(36,067,733)	(12,790,209)	(29,484,690)	(78,342,632)



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Guyana Power and Light, Inc.
Notes to financial statements
For the year ended December 31, 2023
(Expressed in Guyana Dollars)

33. Financial instruments and financial risk management, continued

(iii) Interest rate risk

	Weighted average effective interest rate %	Up to one year \$'000	Two to five years \$'000	Over five years \$'000	Non interest bearing \$'000	Total \$'000
December 31, 2023						
Receivables and prepayments		-	-	-	2,822,599	2,822,599
Deposits		903,322	-	-	-	903,322
Related parties		-	-	-	6,514,115	6,514,115
Investments		-	-	-	828,000	828,000
Cash and bank		-	-	-	3,530,210	3,530,210
		903,322	-	-	13,694,924	14,598,246
Liabilities						
Advances customer financed project		-	-	-	1,138,371	1,138,371
Provision for decommissioning		-	-	-	242,900	242,900
Customer deposits	2.4	-	-	4,738,585	-	4,738,585
Related parties	3.25	49,473,568	-	33,890,100	-	83,363,668
Deferred income		-	-	-	44,837	44,837
Bank overdraft		-	-	-	3,507,580	3,507,580
Payables and accruals		-	-	-	19,234,085	19,234,085
		49,473,568	-	38,628,685	24,167,773	112,270,026
Interest sensitivity gap		(48,570,246)	-	(38,628,685)	(10,472,849)	(97,671,780)
December 31, 2022						
	Weighted average effective interest rate %	Up to one year \$'000	Two to five years \$'000	Over five years \$'000	Non interest bearing \$'000	Total \$'000
December 31, 2022						
Receivables and prepayments		-	-	-	2,462,573	2,462,573
Deposits		411,952	-	-	-	411,952
Related parties		-	-	-	6,139,776	6,139,776
Investments		-	-	-	828,000	828,000
Cash and bank		-	-	-	1,855,034	1,855,034
		411,952	-	-	11,285,383	11,697,335
Liabilities						
Advances customer financed project		-	-	-	1,297,673	1,297,673
Provision for decommissioning		-	-	-	242,900	242,900
Customer deposits	2.4	-	-	4,269,262	-	4,269,262
Related parties	3.25	28,626,943	12,790,209	25,042,381	-	66,459,533
Deferred income		-	-	-	34,510	34,510
Payables and accruals		-	-	-	17,736,089	17,736,089
		28,626,943	12,790,209	29,311,643	19,311,172	90,039,967
Interest sensitivity gap		(28,214,991)	(12,790,209)	(29,311,643)	(8,025,789)	(78,342,632)



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33. Financial instruments and financial risk management, continued

(iv) Foreign exchange risk

Foreign currency risk management lies with the Board of Directors. The company is exposed to this risk primarily from trading. They have not entered into any contractual arrangement to mitigate this risk but they maintain an appropriate amount of liquid funds in the respective currencies to settle liabilities as the need arises.

The following table details the sensitivity to an increase or decrease in the Guyana dollars against the United States Dollars. This shows a decrease of profit amounting to G\$491,737 (2022 G\$493,578), if the Guyana Dollar weakened against the United States Dollars by 1%.

	Financial Assets \$'000	Financial Liabilities \$'000	Net Liability \$'000	% Change \$'000	Impact on profit \$'000
December 31, 2023					
G\$ equivalent of US Dollars	858,217	50,031,895	(49,173,678)	1	(491,737)
December 31, 2022					
G\$ equivalent of US Dollars	315,234	49,673,074	(49,357,840)	1	(493,578)

(v) Capital risk

The company manages its capital, represented by total shareholders equity on its statement of financial position, to ensure that it will be able to continue operating into the foreseeable future while maximising the return to the shareholders.

34. Economic dependence

Guyana Power and Light Inc. is wholly owned by the Government of Guyana. The Company incurred accumulated losses of \$42,234,214 since its incorporation. Future operations of the company is dependent on the ongoing financial support of the Government of Guyana and/or the company generating profits in the future.



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