IPED

Annual Report 2021

INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT LIMITED

GET GOING.KEEP GROWING

SOWING SEEDS OF SUCCESSFULNESS

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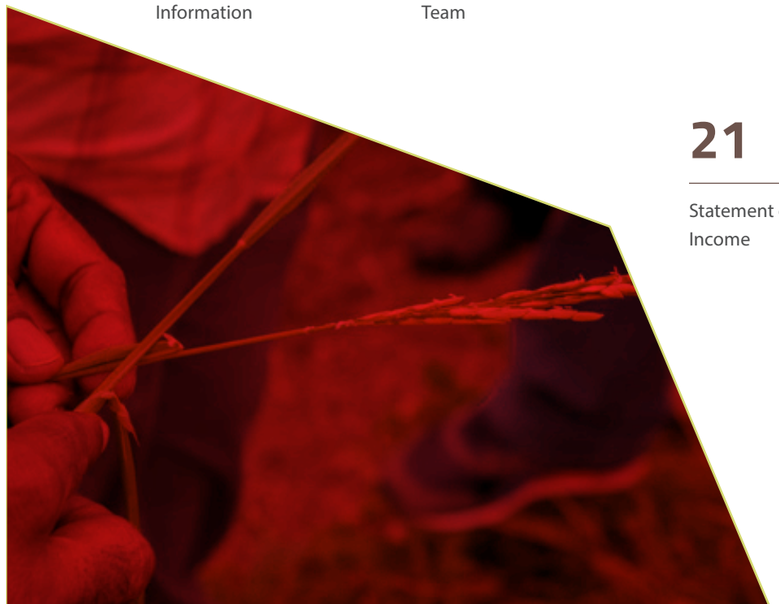
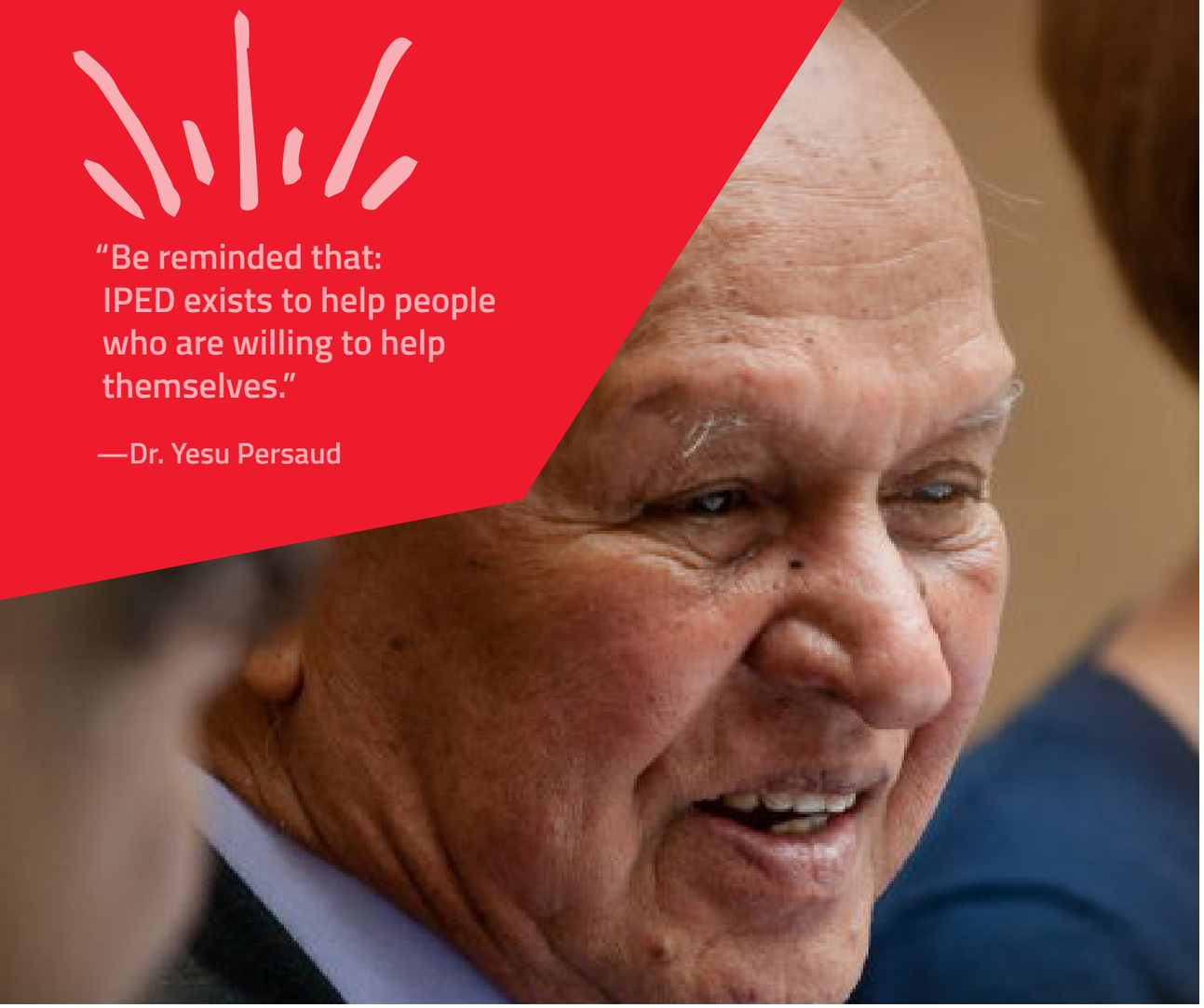




"Be reminded that:
IPED exists to help people who are willing to help themselves."

—Dr. Yesu Persaud

VISION

Improved livelihoods by building sustainable micro and small enterprises.

MISSION

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

OBJECTIVES

- To promote a culture of entrepreneurship and to inspire and empower micro and small business owners to build sustainable enterprises.
- To provide timely and adequate financing, technical assistance and business guidance to Micro and Small business owners to enhance their production potential and capacity to meet their market demands.
- To promote sustainable environmental practices and technologies to micro and small businesses that will mitigate the risks of harm to our environment.
- To build effective partnerships with organizations providing complementary support services to micro and small businesses.

NOTICE OF MEETING

Notice is hereby given that the thirty-sixth Annual General Meeting of the Institute of Private Enterprise Development Limited will be held on Tuesday, May 17, 2022, at 16:00 hours in the Ballroom of the Guyana Marriott Hotel, Block Alpha, Battery Road, Kingston, Georgetown.

AGENDA

1. Chairman's Review of the Institute for the Year 2021
2. Receive and Consider the Institute's Accounts and Reports of the Directors and Auditors for the year 2021
3. Elect Directors in the place of those retiring by rotation
4. Appoint Auditors and authorise the Directors to fix their remuneration
5. Any other business of an Annual General Meeting

BY ORDER OF THE BOARD

.....

Sherrie Hewitt
Company Secretary

Registered Office:
253-254 South Road
Bourda
Georgetown

April 26, 2022

BOARD OF DIRECTORS

Mr. Komal Samaroo
CCH, FCCA, ACIS *-Chairman*

Mr. Ramesh Persaud
MBA, FCCA

Mr. James Morgan
FLMI, ACS

Dr. Ian McDonald
AA, MA (Cantab), FRSL

Major General
Joseph G Singh
MSS, Msc,FCMI, RGS (Ret.)

Mrs. Amanda Richards
MS, AICB

Dr. Leslie Chin
CCH, Bsc, Ph.D

Dr. Steve Surujbally
Bsc, Msc, Ph.D

Mr. Ramsay Ali
AA, Bsc,.

Dr. Gem Fletcher
Ph.D

CORPORATE INFORMATION

DIRECTORS

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

REGISTERED OFFICE

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

BANKERS

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

AUDITORS

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

ATTORNEYS AT LAW

Mr. Vidyanand Persaud & Associates
Demerara
Mr. Murseline Bacchus
Berbice
Mr. Lachmi N. Dindyal
Essequibo

BRANCHES

REGION 1

Mabaruma
Port Kaituma

REGION 2

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

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

REGION 3

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

Lot 29B Stelling Road
Vreed-en-Hoop
West Coast Demerara
Tel: 592-264-3592

REGION 4

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

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

REGION 5

Lot 55 B Rosignol Village
West Bank Berbice
Tel: 592-327-5367

REGION 6

1 Port Mourant
Corentyne
Tel: 592-336-6171

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

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

REGION 9

Lethem
Rupununi
Tel: 592-772-2229

REGION 10

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

REPORT FROM THE CHAIRMAN

I am pleased to present this 2021 report, as Chairman of the Board of Directors of the Institute of Private Enterprise Development Limited (IPED).

However, I must first pause to acknowledge the sterling contributions of the stalwart, Dr. Yesu Persaud, who passed away on January 17, 2022. Dr. Persaud stood at the helm of this organisation as Founder-Chairman. His vision for IPED has transformed the lives of individuals, families, enterprises, and communities throughout the length and breadth of Guyana. He provided an answer to the clarion call for poverty reduction by conceptualising and manifesting an organisation which helps people to help themselves. It is therefore with great pride and profound gratitude, that we will continue to carry on his legacy of assisting both present and future entrepreneurs to improve their livelihoods. His vision will live on in the future through the work of IPED.

IPED's journey continued throughout the year 2021 amidst the ongoing COVID-19 pandemic. However, this did not dampen IPED's efforts to build and maintain sustainable micro and small enterprises and improve livelihoods. Despite the challenges posed by the pandemic, IPED has persevered and remained resilient. The year 2021 was one of rebuilding and realignment, while navigating life within the new normal.

This global crisis intensified as new Covid-19 variants caused significant increases in the number of reported cases and deaths. In response, many countries went back into lockdown dealing a further blow to economies around the world.

In Guyana, micro and small business entrepreneurs within the agricultural sector, many of whom are serviced by IPED, were dealt another crippling blow by the floods which brought destruction to homes and farms in seven of the ten administrative regions, during the months of May and June 2021. IPED worked quickly to take stock of the impact of the floods on these entrepreneurs, and began to work with them as they rebuilt, reorganised, and restructured their businesses where possible.

This notwithstanding, IPED remained resolute in providing services to its new and existing Clients. In 2021 IPED processed 4,060 for a total value of $3,224M compared to 3,566 for a total value of $2,921M in 2020.

325 loans for a total value of $402M have been refinanced, granting entrepreneurs the opportunity of furthering their respective enterprises which IPED determined to be worthy investments. The percentage of loans for principal borrowers without real estate were recorded at 72% as at December 31, 2021, as against in 2020 75% of loan beneficiaries in 2021. IPED continues to play a major role in supporting 2,005 small-scale farmers. Loans granted to these types of entrepreneurs, accounted for 49% of loans processed in 2021.

As at December 31, 2021, IPED services 4,122 small and micro enterprises with a gross loans receivable of $3,688M. Non-performing loans as of December 31, 2021 were $310M or 8% compared to 2020's $368M or 10.8%

IPED's assets at the end of 2021, were valued at $4,808M, an increase of $512M or 12% from $4,296M as of December 31, 2020. Assets recorded as of December 31, 2021, have been financed by accumulated surplus of $3,808M and liabilities of $998M. This is in comparison to 2020's accumulated surplus of $3,496M and $800M liabilities.

"In 2021 IPED processed 4,060 for a total value of $3,224M compared to 3,566 for a total value of $2,921M in 2020."

Cash resources and financial investments at the end of 2021 totalled $530M compared to $510M in 2020. IPED was able to cover all operating and loan impairment costs for 2021.

IPED's total operating income for 2021 was $717M compared to $594M in 2020, an increase of $123M or 21%. Total operating cost before loan impairment for 2021 was $550M compared to $515M in 2020, an increase of $35M or 7%. Loan impairment cost for 2021 was $14M compared to $56M in 2020.

IPED was able to cover all its operating cost and loan impairment cost for 2021 and 2020 to generate a surplus of $153M and $24M respectively. After remeasurement of its employees' pension plans, net total comprehensive income for 2021 was $314M compared to $72M in 2020.

IPED's success in achieving its mission to provide financial and advisory services to small and micro business entrepreneurs enabling them to build sustainable enterprises, remains a true testament to its indelible contribution to reducing poverty and expanding Guyana's economy. IPED is a not for-profit, tax-exempt organisation having all accumulated surpluses reinvested to improve and expand services to our beneficiaries and to achieve the mandate of the Institute.

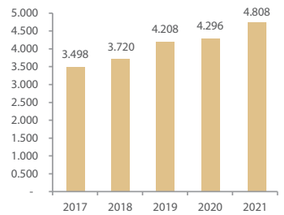
IPED's reach spans across all ten administrative regions through 14 operational branches, providing equal opportunities to persons invested and interested in taking the step to become entrepreneurs. IPED continues to play an integral role in supporting new and existing businesses as they forge ahead to become thriving enterprises within Guyana's private sector, by actively ensuring that they are sustainably financed and receive all necessary training, technical advice, and business guidance. The results of IPED's performance as set out in this report, highlights its contribution to the process of nation building.

In conclusion, I am happy to report that IPED stands financially healthy and stable as of December 31, 2021. We are optimistic about IPED's future as it pursues the fulfilment of its many objectives, which include building partnerships with organisations that provide complementary support services to micro and small businesses entrepreneurs to enhance their production potential, and capacity to meet their market demands.

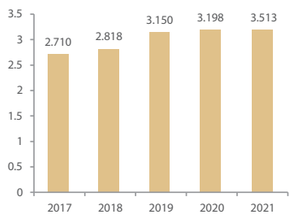
Sincerest gratitude is extended to the staff, management, and my colleagues on the Board who ensure that the mission of this organisation is executed daily, within a convenient, confidential, favourable, and professional environment. Although the Covid-19 pandemic continues to persist, I am confident that as an exemplar organisation of national character, IPED remains ready to pursue every opportunity to contribute to Guyana's present and future rebuilding efforts.

FINANCIAL SUMMARY

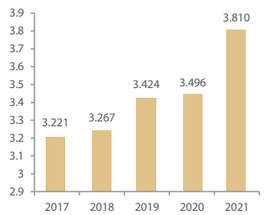
TOTAL ASSETS ($BILLIONS)



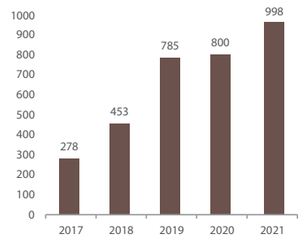
NET LOANS VALUE ($BILLIONS)



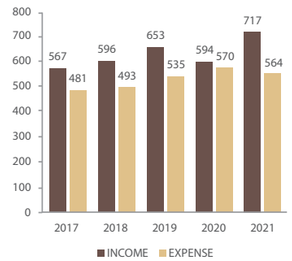
EQUITY ($BILLIONS)



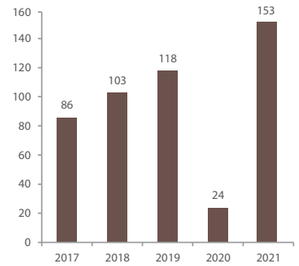
TOTAL LIABILITIES ($MILLIONS)



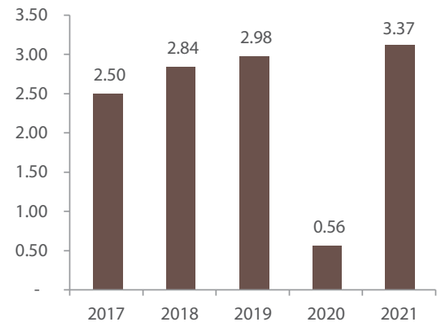
INCOME/ EXPENSE ($MILLIONS)



SURPLUS ($MILLIONS)

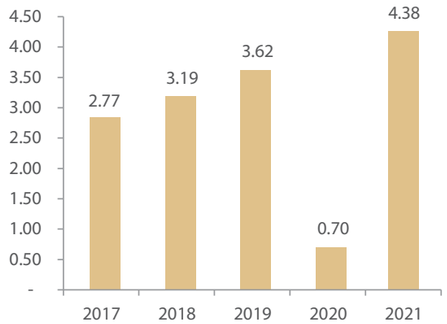


RETURN ON ASSETS (%)



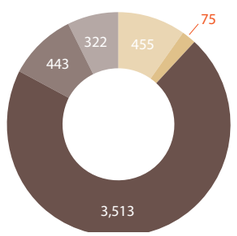
Return on Assets = Surplus/Total Assets

RETURN ON EQUITY (%)

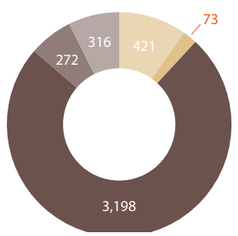


Return on Equity = Surplus/Total Equity

TOTAL ASSETS ($MILLIONS) 2021

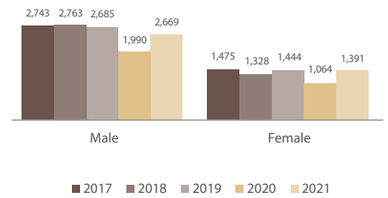


TOTAL ASSETS ($MILLIONS) 2020

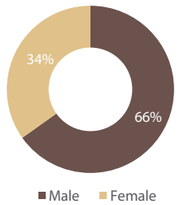


- SHORT TERM INVESTMENT
- CASH AT BANK
- LOANS RECEIVABLE
- OTHER
- PROPERTY, PLANT AND EQUIPMENT

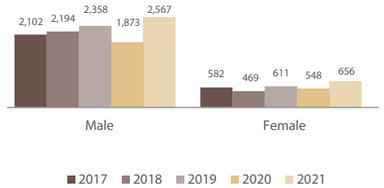
NUMBER OF LOANS BY GENDER



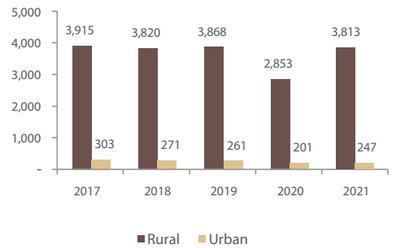
2021



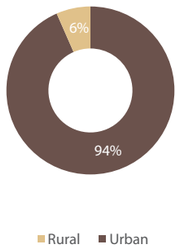
VALUE OF LOANS BY GENDER ($MILLIONS)



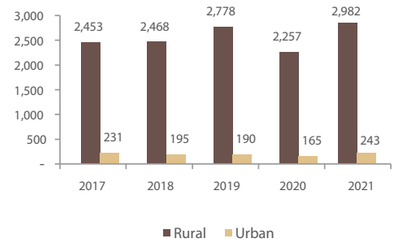
NUMBER OF LOANS BY GEOGRAPHICAL AREA



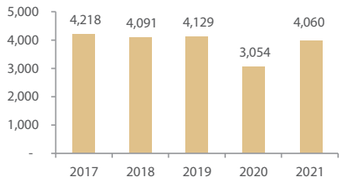
2021



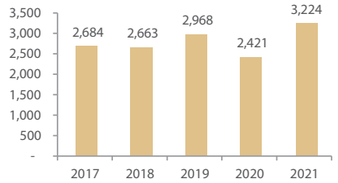
VALUE OF LOANS BY GEOGRAPHICAL AREA ($MILLIONS)



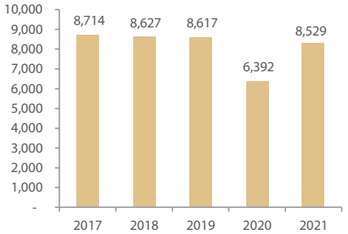
NUMBER OF LOANS GRANTED



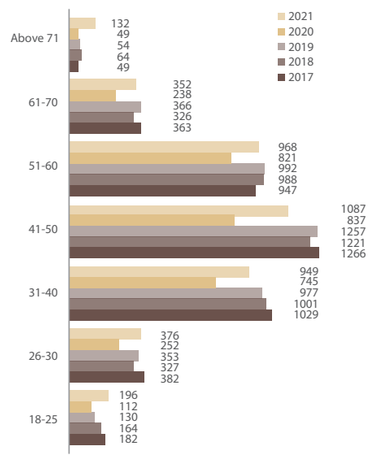
VALUE OF LOANS DISBURSED ($MILLIONS)



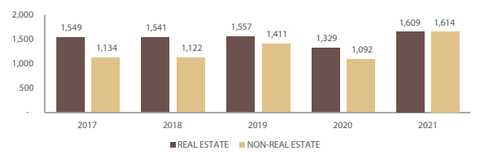
NUMBER OF JOBS CREATED/SUSTAINED



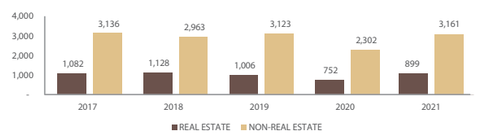
NUMBER OF LOANS BY AGE



VALUE OF LOANS BY COLLATERAL TYPE ($MILLIONS)



NUMBER OF LOANS BY COLLATERAL TYPE



STAFF AWARDS

05 YEARS

SHAWN BASCOM
LATCHMI NAKANAND

10 YEARS

AMANDA GONSALVES
NIKEDA PAUL
KENESHA SMITH
OVID RICHARDS

20 YEARS

BARRY SINGH

25 YEARS

DHANPALL BIRBAL
VISHNU HARPAUL

30 YEARS

PAMELA ROGERS

MANAGEMENT TEAM

Mr. Jagdesh Haripershad
Chief Executive Officer

Ms. Sherrie Hewitt-Robin
Company Secretary
Legal Manager

Mr Robert Williams
Credit Manager
Loans Processing

Ms Carlotta Boodie
Administration and
Human Resources Manager

Mrs Juanita Critchlow
Assistant Company/Assistant
Legal Manager

Mr Ganeshram Misir
Chief Internal Auditor

Mr Avinash Rabindranauth
Branch Manager, Rosignol

Ms Karen Obermuller
Branch Manager, Parika

Ms Amanda Gonsalves
Branch Manager, Hinterland

Mr Shiva Lall
Senior Business Counsellor,
Charity

Ms Tshanna Dainty
Finance Manager

Mr Dhanpall Birbal
Credit Manager - Collections

Ms Sheena Crandon
Audit Supervisor

Ms Tiffany Goodridge
Accountant

Ms Dianne Wong
Officer in Charge, Administration
and Human Resources

Mr Shaun Persaud
Branch Manager
East Coast Demerara

Ms Deborah Austin
Branch Manager
East Bank Demerara

Mr Vishnu Harpaul
Senior Branch Manager
Essequibo

Mr Elvis Rose
Branch Manager, Berbice

Mr Raghunandan Pancham
Officer in Charge, Corriverton

CLIENT AWARDS

BEST MEDIUM ENTERPRISE
Haimlall Persaud
Lumber
Queenstown, Essequibo Coast

BEST YOUTH ENTREPRENEUR
Munesh Persaud
Other Services (Tinting & Graphics design)
Colombia, Essequibo Coast

BEST SMALL ENTERPRISE PROJECT
Hardat Pearce
Rice (Paddy Cultivation)
Annandale, Essequibo Coast

BEST MICRO ENTERPRISE PROJECT
Cecilia Peters
Distribution (Food & Household)
Cornelia Ida, West Coast Demearara

BEST WOMAN ENTREPRENEUR
Naveta Ramkripal
Distribution (Food & Household)
West Coast Berbice

BEST AGRICULTURAL PROJECT
Jagdesh Sookhoo
Crop Cultivation
East Bank Essequibo

LOAN STATISTICS

LOAN STATISTICS ECONOMIC SECTOR	2021	2020	2019	2018	2017	2016	2015
Fishing	54	45	35	57	59	61	43
Hospitality Food Beverage	151	140	229	203	212	303	210
Livestock	115	79	99	129	117	141	128
Logging And Lumber	16	19	24	22	23	19	18
Manufacturing	123	112	133	154	143	169	122
Other Crops	349	226	283	274	315	292	321
Others	115	91	94	98	121	154	824
Poultry	342	242	243	213	262	300	285
Retail Trade	1,171	879	1,187	1,138	1,190	1,424	507
Rice	1,144	828	1,252	1,259	1,259	1,122	1,177
Services	223	195	281	266	277	257	278
Transportation	257	198	269	278	240	217	173
TOTAL	**4,060**	**4,129**	**4,091**	**4,218**	**4,459**		**5,472**

CLASSIFICATION OF LOAN RECEIPTS CUMMULATIVE	2021	2020	2019	2018	2017	2016	2015
Men	2,669	1.990	2,685	2,763	2,743	2,766	2,591
Women	1,391	1.064	1,444	1,328	1,475	1,693	1,495
Joint Men & Women	-						
TOTAL	**4,060**	**3.054**	**4,129**	**4,091**	**4,218**	**4,459**	**4,086**

ADMINISTRATIVE ANALYSIS SUMMARY OF RESULT OF ACTIIVITIES	2021	2020	2019	2018	2017	2016	2015
No. of Loans Granted	4,060	3.054	4,129	4,091	4,218	4,459	4,086
Value of Loans Approved	657,408	2.421.117	2,968,451	2,663,138	2,683,540	2,286,201	1,852,213
No. of Jobs Created/Sustained	8,529	6.392	8,617	8,627	8,714	8,527	7,754
Average Loan Size	162	793	719.0	651.0	636.2	512.7	453.3
Administrative Cost Per Loan	126,094	158.551	116,096	109,144	101,240	94,917	100,250
Average No. of Jobs Per Loan	2	2	2.0	2.1	2.1	1.9	1.9
Loan Value Per Job	77	379	344	309	308	268	239

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting this Report and Audited Financial Statements for the year ended December 31, 2021.

PRINCIPAL ACTIVITIES

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

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

PERFORMANCE FOR THE YEAR

The year 2021 saw improvements from the challenges to business posed by the Covid-19 pandemic, which had severely affected the economies of Guyana and the wider world.

In the year 2021, the Institute disbursed a total of 4,060 Loans valued at $3.2 billion compared to 3,054 loans valued at $2.42 billion in 2020. The loans created/sustained 6,263jobs.

Income totalled $717.41 million and expenditure $564.12 million resulting in a surplus of $153.3 million for the year, compared to $24 million in the year 2020.

APPLICATION OF SURPLUS

Net surplus for the year 2021 was $153.3 million and this was transferred to the accumulated surplus which totalled $3.521 billion at the end of 2021.

CREDIT PROGRAMMES

In the year 2021, the Institute operated four Loan Windows:

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

The Institute also continued its Micro Boost Loan Facility which was launched in April 2013 and launched the Green Loan Facility under the EcoMicro pilot project in partnership with the International Development Bank.

REPORT OF THE DIRECTORS cont'd

ENTREPRENEURIAL DEVELOPMENT

The Business Development Unit of the Institute was conceptualised in the year 2021 and replaces the Entrepreneurial Development Centre (EDC) in providing training, education, and development towards the aim of enhancing the chances of business success. The Unit will also provide resources and support to the Institute's Clients to transform their businesses and business management from informal to formal, by further facilitating opportunities for networking, regulatory insurance, and tax compliance, as well as business and company registration.

BOARD OF DIRECTORS

In 2021 there were 10 Directors on the Board, namely:

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

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

1. Dr Ian McDonald
2. Mrs Amanda Richards
3. Dr Steve Surujbally

AUDITORS

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

INDEPENDENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2021

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Institute of Private Enterprise Development (the Institute), which comprise the statement of financial position as at December 31, 2021, the statement of income, statement of other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 21 to 63.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2021, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information in the Annual Report

Management is responsible for the other information. The other information comprises all the information included in the Institute's 2021 annual report, but does not include the financial statements and our auditor's report thereon. The Institute's 2021 annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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

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

INDEPENDENDENT AUDITOR'S REPORT cont'd

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

TSD LAL & CO.

TSD Lal & Co

77 Brickdam,
Stabroek,
Georgetown

January 25, 2022

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	2021 G$	2020 G$
Interest income		668,079,380	542,644,924
Interest expense		38,025,001	29,936,039
Interest expense - lease liability		2,877,888	3,283,543
Net interest income		**627,176,491**	**509,425,342**
Investment income	5	20,156,401	21,255,288
Other income	6	29,177,762	29,852,975
Net interest and other income		**676,510,654**	**560,533,605**
Employment cost	7a	288,023,701	254,087,195
Loan impairment		14,152,090	55,612,820
Premises and equipment		71,896,369	71,166,143
Other operating costs		149,142,072	155,677,310
		523,214,232	**536,543,468**
Surplus of revenue over expenditure	7	**153,296,422**	**23,990,137**

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

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	2021 G$	2020 G$
Surplus of revenue over expenditure	7	153,296,422	23,990,137
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to surplus or deficit:			
Remeasurement of provision for employee benefits	8	160,515,000	48,436,000
Other comprehensive income		160,515,000	48,436,000
Total comprehensive income for the year		**313,811,422**	**72,426,137**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital donations G$	Accumulated surplus G$	Total G$
Balance at 1 January 2020	256,497,733	3,167,054,748	3,423,552,481
Surplus for the year	-	23,990,137	23,990,137
Remeasurement of provision for employee benefits	-	48,436,000	48,436,000
Total recognised income for the year	-	72,426,137	72,426,137
Balance at 31 December 2020	256,497,733	3,239,480,885	3,495,978,618
Surplus for the year	-	153,296,422	153,296,422
Remeasurement of provision for employee benefits	-	160,515,000	160,515,000
Total recognised income for the year	-	313,811,422	313,811,422
Balance at 31 December 2021	**256,497,733**	**3,553,292,307**	**3,809,790,040**

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

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

ASSETS	Notes	2021 G$	2020 G$
Cash resources	9	90,885,302	89,237,505
Investments	10	438,956,290	420,823,149
Loans receivable	11	3,512,930,291	3,197,992,203
Property, plant and equipment	12	313,226,096	303,571,328
Intangible asset	13	8,876,003	12,655,219
Defined benefit asset	8	409,058,000	241,170,000
Other assets	14	34,061,126	30,810,766
TOTAL ASSETS		**4,807,993,108**	**4,296,260,170**
EQUITY AND LIABILITIES			
EQUITY			
Capital donations	15	256,497,733	256,497,733
Accumulated surplus		3,553,292,307	3,239,480,885
		3,809,790,040	3,495,978,618
LIABILITIES			
Loans payable	16	615,489,449	411,400,428
Other liabilities	17	382,713,619	388,881,124
		998,203,068	800,281,552
TOTAL EQUITY AND LIABILITIES		**4,807,993,108**	**4,296,260,170**

These financial statements were approved by the Board of Directors on January 25, 2022.

On Behalf of the Board

Mr. Komal Samaroo
Chairman

Mr. Ramsay Ali
Director

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 G$	2020 G$
OPERATING ACTIVITIES		
Surplus of revenue over expenditure	153,296,422	23,990,137
Adjustments for:		
Depreciation	45,447,653	53,967,642
Amortisation	4,805,216	5,572,664
Remeasurement of provision for employee benefits	160,515,000	48,436,000
(Gain)/ loss on disposal of property, plant and equipment	(1,518,474)	1,872,688
Interest expense - lease liability	2,877,888	3,283,543
Operating surplus before working capital changes	365,423,705	137,122,674
Movements in:		
Loans receivable	(314,938,088)	(48,092,953)
Other receivables and prepayments	(3,595,000)	(11,597,036)
Inventory	344,640	(1,621,641)
Other payables and accruals	15,704,504	(15,188,418)
Defined benefit asset	(167,888,000)	(55,280,000)
Net cash provided by/(used in) operating activities	(104,948,239)	5,342,626
INVESTING ACTIVITIES		
Increase in investment	(18,133,141)	(24,118,667)
Purchase of property, plant and equipment	(55,897,676)	(31,731,720)
Purchase of intangible asset	(1,026,000)	-
Decrease in lease payable	-	2,490,076
Proceeds on sale of property, plant and equipment	2,313,730	53,050
Net cash used in investing activities	(72,743,087)	(53,307,261)
FINANCING ACTIVITIES		
Loan drawn down	350,000,000	-
Loan repayments	(145,910,979)	(25,331,874)
Lease interest	(2,877,888)	(3,283,543)
Repayment of the lease liabilities	(6,203,712)	(5,398,057)
Net cash provided by/(used in) financing activities	195,007,421	(34,013,474)
Net increase/decrease in cash resources	17,316,095	(81,978,109)
Cash resources at beginning of period	(49,180,426)	32,797,683
Cash resources at end of period	**(31,864,331)**	**(49,180,426)**
Comprising		
Bank overdraft (secured)	(122,749,633)	(138,417,931)
Cash resources	90,885,302	89,237,505
	(31,864,331)	**(49,180,426)**

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

1. INCORPORATION AND ACTIVITIES

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

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2	1 January 2021
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	
Amendments to IFRS 16 Leases:	1 April 2021
Covid-19-Related rent concessions beyond 30 June 2021	

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

Pronouncements effective in future periods available for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Annual Improvements 2018-2020	1 January 2022
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 4 (Deferral of effective date of IFRS 9)	Immediately available
Amendments to IAS 1: Presentation of financial statements on classification of liabilities.	1 January 2023
Narrow scope amendments to IAS 1, IAS 8 and IFRS Practice statement 2 1 January 2023	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction.	1 January 2023

The Institute has not opted for early adoption.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation

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

(c) Revenue and expense recognition

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

(d) Foreign currencies

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

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

(e) Borrowing costs

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

(f) Defined benefit plan

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(g) Taxation

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

(h) Property, plant and equipment

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

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

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

(ii) Leases

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(h) Property, plant and equipment - cont'd

(ii) Leases - cont'd

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

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(i) Intangible asset

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

(j) Inventories

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

(k) Provisions

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

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

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

(l) Investments

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

"Investments" are carried at amortised cost. Any gain or loss on these investments is recognised as income or expenditure when the asset is derecognised or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(m) Financial assets

Financial assets held by the Institute are classified as financial assets at amortised cost.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit and loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

(n) Effective interest method

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

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

(o) Loans receivable

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(p) Impairment of financial assets

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

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

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

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

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

Impairment of tangible assets

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(q) Derecognition of financial assets

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

(r) Financial liabilities

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

(s) Classification as a debt or equity instrument

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

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

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

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

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

(t) Cash resources

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

(u) Business reporting divisions

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

i) Impairment losses on loans receivable

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

ii) Useful lives of property, equipment and intangible assets

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

iii) Defined benefit asset

The provisions for defined benefit asset are determined by the actuary based on data provided by management. The computation of the provisions by the actuary assumes that the data provided is not materially misstated.

iv) Impairment of Financial Assets

Management makes judgement at the end of each reporting period to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

		2021 G$	2020 G$
5	**INVESTMENT INCOME**		
	Cash resources	112,816	446,712
	Investments - bonds	20,043,585	20,808,576
		20,156,401	21,255,288
6	**OTHER INCOME**		
	Recoveries on loans previously written off	4,986,338	2,446,294
	Fees- ICM courses	1,619,110	4,501,717
	Others	22,572,314	22,904,964
		29,177,762	29,852,975
7	**SURPLUS OF REVENUE OVER EXPENDITURE**	153,296,422	23,990,137
	After charging:		
	Depreciation and amortisation	50,252,869	59,540,306
	Employment cost (a)	288,023,701	254,087,195
	Auditors' remuneration (b)	875,500	875,500
	Loan impairment	14,152,090	55,612,820
(a)	Employment cost:		
	Salaries and wages	175,637,926	151,773,497
	Training, welfare and other cost	101,378,012	91,680,693
	Pension	11,007,763	10,633,005
		288,023,701	254,087,195
(b)	Auditor's remuneration/ Audit services	875,500	875,500

(c) Directors' Emoluments

No remuneration is paid to directors as all of them serve voluntarily.

8 DEFINED BENEFIT ASSET

The Institute participates in a defined benefit plan (Demerara Distillers Limited Pension Plan) for its employees. The contributions are held in trustee administered funds which are separate from the Institute's resources, 93 (2020 - 97) employees participate in the plan.

During the year, the Institute's contribution to the scheme was G$18,260,000 (2020 - G$17,574,000).

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2021 by Bacon Woodrow & de Souza Limited. The present valuation of the defined benefit obligation and the related current service cost were measured at 31 December 2021 using the Projected Unit Credit Method.

	2021 G$	2020 G$
Amounts in the statement of financial position:		
Defined benefit obligation	439,092,000	366,527,000
Fair value of plan assets	(848,150,000)	(607,697,000)
Net defined benefit asset	409,058,000	241,170,000
Reconciliation of amount recognised in the statement of financial position:		
Movement in Present value of defined benefit obligation		
Defined benefit obligation at start	366,527,000	343,584,000
Service cost	23,564,000	20,618,000
Interest cost	18,038,000	17,012,000
Members' contributions	6,797,000	6,461,000
Past service cost	-	-
Re-measurements		
Experience adjustments	35,840,000	(14,392,000)
Actuarial losses from changes in demographic assumptions	-	-
Benefits paid	(11,674,000)	(6,756,000)
	439,092,000	366,527,000
Movement in fair value of plan assets		
Plan assets at start of year	607,697,000	529,474,000
Expected return on plan assets	30,715,000	26,900,000
Return on plan assets, excluding interest income	196,355,000	34,044,000
Company contributions	18,260,000	17,574,000
Members' contributions	6,797,000	6,461,000
Benefits paid	(11,674,000)	(6,756,000)
	848,150,000	607,697,000

8 DEFINED BENEFIT ASSET - cont'd

Asset allocation as at 31 December:		
Guyanese and regionally listed equites	532,507,000	312,222,000
Overseas equities (developed markets)	55,181,000	40,003,000
Regional bonds	18,984,000	19,719,000
Developed market bonds	48,363,000	55,913,000
Emerging market bonds	40,133,000	40,488,000
Cash and cash equivalents	152,982,000	139,352,000
Total	**848,150,000**	**607,697,000**
Expense recognised in statement of income		
Current service cost	23,564,000	20,618,000
Net interest on net defined benefit liability/(asset)	(12,677,000)	(9,888,000)
Net pension cost	**10,887,000**	**10,730,000**

	2021 G$	2020 G$
Re-measurements recognised in other comprehensive income		
Experience gains	160,515,000	48,436,000
Total amount recognised in other comprehensive income	**160,515,000**	**48,436,000**
Reconciliation of opening and closing statement of financial position		
Defined benefit asset at prior year end	(241,170,000)	(185,890,000)
Net pension cost	10,887,000	10,730,000
Re-measurements recognised in other comprehensive income	(160,515,000)	(48,436,000)
Contributions paid	(18,260,000)	(17,574,000)
Closing defined benefit asset	**(409,058,000)**	**(241,170,000)**

	2021 G$	2020 G$	2019 G$	2018 G$	2017 G$
Experience History					
Defined benefit obligation	439,092,000	366,527,000	343,584,000	303,566,000	284,886,000
Fair value of plan asset	(848,150,000)	(607,697,000)	(529,474,000)	(434,933,000)	(413,670,000)
Surplus	(409,058,000)	(241,170,000)	(185,890,000)	(131,367,000)	(128,784,000)
Experience adjustment on plan liabilities	35,840,000	(14,392,000)	3,423,000	(37,613,000)	(5,756,000)
Experience adjustment on plan assets	196,355,000	34,044,000	53,896,000	(15,029,000)	30,499,000

8 DEFINED BENEFIT ASSET - cont'd

Summary of Principal assumptions:	2021 Per annum	2020 Per annum
Principal actuarial assumptions used:	%	%
Discount rate	5	5
Rate of salary increases	5	5
Future pension increases	2	2
Life expectancy at age 60 for current pensioner in years		
Male	21.8	22.3
Female	26.1	27.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	22.3
Female	27.0	27.1

Sensitivity Analysis

The impact on profit of changes in the assumptions used	1% pa increase $ million	1% pa increase $ million
Discount rate	111,788,000	96,175,000
Future salary increases	(29,045,000)	(23,270,000)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2021 by $8,102,000.

9 CASH RESOURCES

	2021 G$	2020 G$
Cash in hand	2,175,740	1,797,290
Cash at banks	71,359,167	85,399,930
Government of Guyana IFAD project	446,445	948,045
IADB	16,903,950	1,092,240
	90,885,302	89,237,505

10 INVESTMENTS

(a)	Bonds	328,746,581	329,066,378
	These are made up as follows:		
	Government bonds	34,985,399	35,305,196
	Private entity bonds (unsecured)	293,761,182	293,761,182
		328,746,581	329,066,378
(b)	Cash resources	110,209,708	91,756,771
	Total investments	**438,956,290**	**420,823,149**

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

11 LOANS RECEIVABLE

	2021 G$	2020 G$
Gross loans	3,687,676,578	3,387,328,310
Less impairment allowance (a)	(174,746,287)	(189,336,107)
	3,512,930,291	3,197,992,203
Non- current loans receivable	2,387,535,076	1,337,256,657
Current loans receivable	1,300,141,502	2,050,071,653
	3,687,676,578	3,387,328,310
Non-performing loans receivable	309,981,380	368,108,997
Performing loans receivable	3,377,695,198	3,019,219,313
	3,687,676,578	3,387,328,310

(a)	Impairment allowances		
	Individually assessed impairment		
	At 1 January	189,336,107	216,192,455
	Provision for the year	13,093,287	55,612,820
	Rural Enterprise and Agricultural Development Project Provisioning	732,437	1,656,661
	Bad debts written off	(28,415,544)	(84,125,829)
	At December 31	174,746,287	189,336,107

The undiscounted fair value of collateral that the Institute holds relating to loans individually determined to be impaired at December 31, 2021 amounted to $682m (2020: $1,022m). The collateral consists of cash, securities and properties.

Collateral realised

During the year, the Institute did not realise any collateral from our clients. (2020: $8,094,760).

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings (i) G$	Right-of- use assets (ii) G$	Motor vehicles G$	Furniture, fixtures and fittings G$	Office machinery G$	Computer equipment G$	Work in progress G$	Total 2021 G$
Cost								
At 1 January 2021	251,090,383	57,278,537	75,886,935	50,163,261	62,152,986	113,901,941	1,196,250	611,670,293
Additions	7,677,448	-	16,700,000	9,342,879	3,150,926	6,879,023	12,147,400	55,897,676
Reclassification	13,343,650						(13,343,650)	-
Disposals	-	-	(9,716,185)	(537,266)	(3,183,933)	(12,138,587)		(25,575,971)
At 31 December 2021	272,111,481	57,278,537	82,870,750	58,968,875	62,119,979	108,642,377	-	641,991,998
Depreciation								
At 1 January 2021	51,095,400	11,650,560	68,943,225	35,418,279	44,635,287	96,356,213	-	308,098,964
Charge for the year	4,954,972	6,784,441	6,059,338	4,545,256	7,698,022	15,405,624	-	45,447,653
Write back	(249,968)	-	(9,716,185)	(532,879)	(3,146,313)	(11,135,370)	-	(24,780,715)
At 31 December 2021	55,800,404	18,435,001	65,286,378	39,430,656	49,186,996	100,626,467	-	328,765,903
Net book values:								
At 31 December 2021	**216,311,077**	**38,843,536**	**17,584,372**	**19,538,218**	**12,932,983**	**8,015,909**	**-**	**313,226,096**

	Freehold land and buildings (i) G$	Right-of-use assets (ii) G$	Motor vehicles G$	Furniture, fixtures and fittings G$	Office machinery G$	Computer equipment G$	Work in progress G$	Total 2020 G$
Cost								
At 1 January 2020	243,772,068	56,899,517	68,386,935	49,925,986	63,916,553	108,217,774	1,000,000	592,118,833
Additions	767,315	3,853,121	7,500,000	975,095	2,014,343	10,508,596	6,113,250	31,731,720
Reclassification	6,551,000	-	-	(365,000)	(1,032,650)	763,650	(5,917,000)	-
Disposals	-	(3,474,101)	-	(372,820)	(2,745,260)	(5,588,080)	-	(12,180,261)
At 31 December 2020	251,090,383	57,278,537	75,886,935	50,163,261	62,152,986	113,901,940	1,196,250	611,670,292
Depreciation								
At 1 January 2020	46,121,855	7,341,025	66,589,531	30,843,742	39,294,438	74,195,254	-	264,385,845
Charge for the year	4,957,700	6,479,232	2,353,694	4,791,000	7,986,625	27,228,848	-	53,797,099
Reclassification adjusment	15,845	-	-	138,607	83,817	(67,726)	-	170,543
Write back	-	(2,169,697)	-	(355,070)	(2,729,593)	(5,000,163)	-	(10,254,523)
At 31 December 2020	51,095,400	11,650,560	68,943,225	35,418,279	44,635,287	96,356,213	-	308,098,964
Net book values:								
At 31 December 2020	**199,994,983**	**45,627,977**	**6,943,710**	**14,744,982**	**17,517,699**	**17,545,727**	**1,196,250**	**303,571,328**

(i) Certain land and buildings are held as security for the loan from Demerara Bank Limited. See note 16 for details.
(ii) Refer to note 17(iv) for details of lease agreements.

13 INTANGIBLE ASSET

Cost	2021 G$	2020 G$
At 1 January	24,520,927	60,272,251
Additions	1,026,000	-
Disposal	-	(35,751,324)
As at 31 December	25,546,927	24,520,927
Amortisation		
At 1 January	11,865,708	42,044,368
Charge for the year	4,805,216	5,572,664
Write back on disposal	-	(35,751,324)
As at 31 December	16,670,924	11,865,708
Net book value:		
As at 31 December	8,876,003	12,655,219

The intangible asset represents a payment for the development and improvements of the Institute's website software, this is being amortised over a period of four years.

14 OTHER ASSETS

	2021 G$	2020 G$
Prepayments	21,043,522	17,283,362
Inventory	1,948,949	2,293,589
Others	11,068,655	11,233,815
	34,061,126	30,810,766

15 CAPITAL DONATIONS

	2021 G$	2020 G$
Donations at 31 December	256,497,733	256,497,733

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

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

16 LOANS PAYABLE

			Amount Committed	2021 G$	2020 G$
(i)	IADB	SFR	375,000	5,463,523	6,304,065
(ii)	IADB	USD	800,000	22,285,713	34,628,571
(iii)	Demerara Bank Limited	GYD	410,000,000	351,055,589	370,467,792
(iv)	Demerara Bank Limited	GYD	350,000,000	236,684,624	-
				615,489,449	411,400,428
	Repayments due within one year			66,709,304	32,139,669
	Repayments due within two to five years			132,473,046	69,328,952
	Repayments due after five years			416,307,099	309,931,807
				548,780,145	379,260,759
				615,489,449	411,400,428

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

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

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

Interest shall accrue for each interest period on all outstanding disbursed amounts, at an interest rate equivalent to the sum of the applicable LIBOR and/ the applicable margin of five per cent (5%) per annum.

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

(iv) Demerara Bank Limited approved a loan of GYD$350,000,000 and as of July 09, 2021, GYD$350,000,000 was fully drawn down. This loan is repayable over 120 equal monthly installments of GYD$3,886,000 commencing August 07, 2021 and matures on July 07, 2031. Interest shall accrue at a rate of 6% per annum.

The DBL loans are secured by Investment Bonds (US$1.58m), money market account (G$16.2m) and the following four (4) properties in the name of the Institute (G$484.2m based on market valuation).

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

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

Property at Area "T" being a portion of Plantation Port Mourant, Corentyne, Berbice.

Property situated at Lot 54 part of front lands of Anna Regina, Cotton Field, Essequibo Coast.

17 OTHER LIABILITIES

	2021 G$	2020 G$
Bank overdraft	122,749,633	138,417,931
Accruals	39,276,380	39,867,286
Collateral improvement scheme (i)	90,997,783	93,525,821
Internal indemnity fund (ii)	6,976,824	13,199,943
Government of Guyana IFAD Project (iii)	41,515,409	41,515,409
Lease payable (iv)	41,760,898	47,964,610
Grant payables (v)	19,504,000	1,756,000
Related Party - GYBT	1,937,523	1,645,842
Miscellaneous	17,995,168	10,988,282
	382,713,619	388,881,124

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

At 1 January	93,525,821	104,158,681
Decrease during the year	(2,528,038)	(10,632,860)
At 31 December	90,997,783	93,525,821

(ii) The Institute has life insurance coverage for all their clients; this coverage is divided into two parts as follows:

(a) Internal (Internal Indemnity Fund): most risk for clients with loan balances below $1,500,001 is absorbed by the Institute through this fund.

(b) External: all risk for idemnifying clients with loan balances above $1,500,001 is covered by an external Insurance Company.

(iii) This is a revolving fund managed on behalf of the Government of Guyana for the Rural Enterprise and Agricultural Development Project, of this $4,076,870 (2020 - $4,769,408) is outstanding as loans receivable and the remainder of $37,438,539 (2020 - $36,746,001) is cash resources available for lending.

17 OTHER LIABILITIES - cont'd

(iv) Lease Payable

	2021 G$	2020 G$
Guyana Lands & Surveys Commission - Lease Payable	17,449,037	17,536,829
Private Individuals - Lease Payable	24,311,861	30,427,781
	41,760,898	47,964,610
Repayments due within one year	9,081,600	9,081,600
Repayments due within two to five years	20,561,600	26,403,200
Repayments due after five years	48,220,000	51,460,000
	68,781,600	77,863,200
Less: Future finance charges		
Due within one year	(2,505,638)	(2,877,877)
Due within two to five years	(6,738,983)	(7,852,037)
Due after five years	(26,857,681)	(28,250,276)
	(36,102,302)	(38,980,190)
Present Value of Lease Obligations	**41,760,898**	**47,964,610**

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

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

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

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

17 OTHER LIABILITIES - cont'd

(iv) Lease Payable

Lot 55 'B' Rosignol Village, West Bank Berbice. This is a lease for 2 years which was renewed on December 1, 2019 and has a monthly rental of GYD 120,000 payable in advance. This rental is due for revision 2 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated December 1, 2019.

Lot 23 Republic Avenue, Linden, Demerara River. This is a lease for 1 year which was renewed on April 1, 2021 and has a monthly rental of GYD 34,200 payable in advance. This rental is due for revision 3 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated April 1, 2021.

Lot 29 'B' Stelling Road, Vreed en Hoop, West Coast Demerara. This is a lease for 5 years which was renewed effective on October 1, 2017 and has a monthly rental of GYD 102,600 payable in advance. This rental is due for revision 3 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated September 21, 2017.

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

Port Kaituma Public Road, Region One. This is a lease for 2 years which was renewed on December 1, 2020 and has a monthly rental of GYD 75,000 payable in advance. This rental is due for revision 2 months prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated November 30, 2020.

Stall #25, Lot 110 Charity Public Road, Essequibo Coast. This is a lease for 1 year which was renewed on July 1, 2021 and has a monthly rental of GYD 45,000 payable in advance. This rental is due for revision at a mutually decided time prior to the expiration of the contract. All other terms and conditions are included in the lease agreement dated June 30, 2021.

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

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

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

(v) A grant of USD$150,000 was approved for the Institute by the Inter-American Development Bank, and as of December 31, 2021, US$25,000 was drawn down.

18 RELATED PARTY

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

Listed below are transactions and balances with related parties:

(i) Compensation for key management personnel

The company's key management personnel 7 (2020 - 7)

The remuneration paid to key management personnel during the year was as follows:

	2021 G$	2020 G$
Short term employee benefits	66,128,585	53,870,474
Post-employment benefits	8,302,957	6,367,426
	74,431,542	60,237,900

(ii) Other information

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

Trust Company Guyana Limited	Investment account	(2,275,119)	45,887,867
	Interest Income	20,156,401	21,255,288
	Investments fees paid	1,332,747	1,280,725
Demerara Bank Limited	Deposit accounts	55,781,277	55,337,694
	Overdraft	122,749,633	138,417,931
	Interest on overdraft	7,103,198	4,193,667
	Loan	587,740,213	370,467,792
	Loan Repayment	133,003,405	18,740,174
	Interest on loans	26,392,389	22,779,826
Guyana Youth Business Trust.	Payables	1,937,523	1,645,842
Diamond Fire General Insurance	Insurance Payments	5,506,140	5,245,212

19 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

2021	Financial assets and liabilities at amortised cost G$	Total G$
Assets		
Investments	438,956,290	438,956,290
Loans receivable	3,512,930,291	3,512,930,291
Other receivables and prepayments	32,112,177	32,112,177
Cash resources	90,885,302	90,885,302
Total Assets	4,074,884,060	4,074,884,060
Liabilities		
Loans payable	615,489,449	615,489,449
Lease payable	41,760,898	41,760,898
Other payables	178,926,708	178,926,708
Accruals	39,276,380	39,276,380
Bank Overdraft (secured)	122,749,633	122,749,633
Total Liabilities	998,203,068	998,203,068

2020	Financial assets and liabilities at amortised cost G$	Total G$
Assets		
Investments	420,823,149	420,823,149
Loans receivable	3,197,992,203	3,197,992,203
Other receivables and prepayments	28,517,177	28,517,177
Cash resources	89,237,505	89,237,505
Total Assets	3,736,570,034	3,736,570,034
Liabilities		
Loans payable	411,400,428	411,400,428
Lease payable	47,964,610	47,964,610
Other payables	162,631,297	162,631,297
Accruals	39,867,286	39,867,286
Bank Overdraft (secured)	138,417,931	138,417,931
Total Liabilities	800,281,552	800,281,552

20 FINANCIAL RISK MANAGEMENT

20.1 Objectives

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

20.2 Risk Management Structure

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

20.3 Board credit and investment committee

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

20.4 Internal audit

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

20.5 Risk measurement and reporting systems

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

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

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

20 FINANCIAL RISK MANAGEMENT - cont'd

(a) Market risk

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

(i) Interest rate sensitivity analysis.

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

If interest rates had been 2.5% higher/lower and all other variables were held constant, the Institute's surplus for the year ended 31 December 2021 would increase/decrease by G$20,728,110 (2020: G$15,976,397).

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

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

20 FINANCIAL RISK MANAGEMENT - cont'd

(ii) Interest rate risk

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

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

		Maturing 31.12.2021						
	Interest rate range	Within 1 year						
	%	On Demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	Over 5 years	Non-interest bearing	Total
		G$	G$	G$	G$	G$	G$	G$
Assets								
Investments	0%-10%	110,209,708	-	-	-	328,746,581	-	438,956,290
Loans receivable	0%-52%	178,032,473	21,284,022	976,905,016		627,703,722	-	
Other receivables and prepayments		-	-	-	-	-	32,112,177	32,112,177
Cash resources	0%-2%	88,709,562	-	-	-	-	2,175,740	90,885,302
		376,951,743	21,284,022	976,905,016		956,450,303	34,287,917	
Liabilities								
Loans payable	1%-6%	-	-	66,709,304	132,473,046	416,307,099	-	615,489,449
Lease payable	1%-6%	-	-	6,575,962	13,822,617	21,362,319	-	41,760,898
Other payables and accruals		-	-	-	-	-	218,203,088	218,203,088
Bank overdraft (secured)	6%	122,749,633	-	-	-	-	-	122,749,633
		122,749,633	-	73,285,266	146,295,663	437,669,418	218,203,088	998,203,068
Interest Sensitivity Gap		254,202,110	21,284,022	903,619,750		518,780,885	(183,915,171)	

20 FINANCIAL RISK MANAGEMENT - cont'd

(ii) Interest rate risk - cont'd

		Maturing 31.12.2020						
	Interest rate range	Within 1 year						
	%	On Demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	Over 5 years	Non-interest bearing	Total
		G$	G$	G$	G$	G$	G$	G$
Assets								
Investments	0%-10%	91,756,771	-	-	-	329,066,378	-	420,823,149
Loans receivable	0%-52%	854,620,251	381,215,564	670,893,901		98,417,783	-	
Other receivables and prepayments		-	-	-	-	-	28,517,177	28,517,177
Cash resources	0%-2%	87,440,215	-	-	-	-	1,797,290	89,237,505
			381,215,564	670,893,901		427,484,161	28,517,177	
Liabilities								
Loans payable	1%-6%	-	-	32,139,669	69,328,952	309,931,807	-	411,400,428
Lease payable	1%-6%	-	-	6,203,723	18,551,148	23,209,739	-	47,964,610
Other payables and accruals		-	-	-	-	-	202,498,583	202,498,583
Bank overdraft (secured)	6%	138,417,931	-	-	-	-	-	138,417,931
		138,417,931	-	38,343,392	87,880,100	333,141,546	202,498,583	800,281,552
Interest Sensitivity Gap		897,196,596	381,215,564	632,550,509		94,342,615	(173,981,406)	

20 FINANCIAL RISK MANAGEMENT - cont'd

(iii) Foreign currency risk

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

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

	United States dollars	Canadian dollars
2021	G$	G$
Assets	492,597,587	707,236
Liabilities	19,504,000	-
Net assets	512,101,587	707,236
2020		
Assets	467,854,592	707,236
Liabilities	1,756,000	-
Net assets	469,610,592	707,236

Foreign currency sensitivity analysis

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

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

	2021	2020
Surplus:	G$	G$
Canadian Dollars	17,681	17,681
United States Dollars	12,802,540	11,740,265

20 FINANCIAL RISK MANAGEMENT - cont'd

(b) Liquidity risk

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

The following table shows the distribution of liabilities by maturity:

	Maturing 31.12.2021					
	Within 1 year					
	On Demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	Over 5 years	Total
	G$	G$	G$	G$	G$	G$
Liabilities						
Loans payable	-	-	66,709,304	132,473,046	416,307,099	615,489,449
Lease payable	-	-	6,575,962	13,822,617	21,362,319	41,760,898
Other payables and accruals	218,203,088	-	-	-	-	218,203,088
Bank overdraft (secured)	122,749,633	-	-	-	-	122,749,633
	340,952,721	-	73,285,266	146,295,663	437,669,418	998,203,068

	Maturing 31.12.2020					
	Within 1 year					
	On Demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	Over 5 years	Total
	G$	G$	G$	G$	G$	G$
Liabilities						
Loans payable	-	-	32,139,669	69,328,952	309,931,807	411,400,428
Lease payable	-	-	6,203,723	18,551,163	23,209,724	47,964,610
Other payables and accruals	202,498,583	-	-	-	-	202,498,583
Bank overdraft (secured)	138,417,931	-	-	-	-	138,417,931
	340,916,514	-	38,343,392	87,880,100	333,141,546	800,281,552

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk

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

Gross maximum exposure:	**2021 G$**	**2020 G$**
Investments	438,956,290	420,823,149
Loans receivable	3,512,930,291	3,197,992,203
Other receivables	11,068,655	28,517,177
Cash resources	86,533,822	87,440,215
Total credit risk exposure	4,049,489,058	3,734,772,744

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

Collateral and other enhancements

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

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

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

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

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

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

(i) Geographical sectors

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

	2021 G$	**2020 G$**
Guyana	3,610,657,391	3,313,950,033
Regional	34,985,399	35,374,683
International	403,846,267	385,448,028
	4,049,489,058	3,734,772,744

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

(ii) Industry sectors

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

	2021	2020
	G$	G$
Government and government bodies	37,580,734	35,305,196
Financial sector	498,978,033	501,475,345
	536,558,767	536,780,541
Loans Receivable		
Fishing	89,951,851	77,643,033
Hospitality - Food & Beverage	129,624,127	119,920,432
Livestocks	127,331,251	144,296,007
Logging & Lumber	139,970,945	155,653,294
Manufacturing	118,161,568	131,390,437
Other Crops	168,221,653	152,383,324
Others	166,449,094	119,650,023
Poultry	110,652,445	82,286,261
Retail Trade	1,059,994,044	928,760,603
Rice	969,978,806	965,536,426
Services	360,580,050	323,255,318
Transportation	246,760,744	186,553,152
Gross Loans Receivable	3,687,676,578	3,387,328,310
Less: Allowance for impairment	(174,746,287)	(189,336,107)
Net Loans Receivable	3,512,930,291	3,197,992,203
	4,049,489,058	3,734,772,744

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

(ii) Industry sectors - cont'd

Analysis of IFRS 9 expected credit losses by sector:

Facility	2021	2020
	G$	G$
Fishing	2,427,574	4,197,255
Hospitality - Food & Beverage	9,782,140	13,269,687
Livestocks	3,662,652	1,680,537
Logging & Lumber	808,443	4,863,522
Manufacturing	6,609,706	7,418,539
Other Crops	8,763,430	7,825,001
Others	7,579,790	10,592,879
Poultry	13,981,730	8,760,914
Retail Trade	70,880,711	64,221,597
Rice	5,248,883	22,679,610
Services	37,479,355	31,824,476
Transportation	7,521,873	12,002,090
	174,746,287	189,336,107

Investments- bonds

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

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

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

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

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

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

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

	Superior G$	Desirable G$	Acceptable G$	Sub-standard G$	Total G$
Financial Investments:					
Amortized Cost					
2021	19,199,500		-	15,785,899	
		403,970,891			438,956,290
2020	19,199,500		-	16,105,696	
		385,517,953			420,823,149

Loans receivable

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

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

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

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

Sub-standard: Past due or individually impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

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

	Neither past due nor impaired				
	Superior G$	Desirable G$	Acceptable G$	Sub-standard G$	Total G$
2021	2,766,790,420	404,024,279	76,266,519	265,849,073	3,512,930,291
2020	2,230,580,141	416,717,382	122,912,120	427,782,560	3,197,992,203

Loans receivable

2021	Principal G$	Exposure G$	Provision G$
Current - stage 1	2,789,650,719	565,522,567	22,860,299
Past due but not impaired - stage 2	511,479,475	100,623,171	31,188,676
Impaired - stage 3	386,546,384	81,475,046	120,697,312
	3,687,676,578	747,620,784	174,746,287

2020	Principal G$	Exposure G$	Provision G$
Current - stage 1	2,241,329,793	571,495,272	10,749,652
Past due but not impaired - stage 2	568,471,695	129,516,716	28,842,194
Impaired - stage 3	577,526,822	154,848,135	149,744,261
	3,387,328,310	855,860,123	189,336,107

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

Ageing of receivables that are past due but not impaired

2021	Principal G$	Exposure G$	Provision G$
1-30 days	332,430,417	61,831,071	5,500,683
31-90 days	84,648,386	20,657,947	7,553,840
91-180 days	94,400,672	18,134,153	18,134,153
Total	11,479,475	100,623,171	31,188,676

2020	Principal G$	Exposure G$	Provision G$
1-30 days	232,856,831	71,824,287	4,409,536
31-90 days	97,272,983	38,808,959	9,002,897
91-180 days	38,341,881	18,883,470	15,429,761
Total	568,471,695	29,516,716	28,842,194

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

Ageing of impaired receivables

2021	Principal G$	Exposure G$	Provision G$
31-90 days	-	-	-
91-180 days	-	-	-
181-365 days	76,565,004	24,318,654	25,033,292
over 365 days	309,981,380	57,156,392	95,664,020
	86,546,384	81,475,046	120,697,312

2020			
31-90 days	-	-	-
91-180 days	-	-	-
181-365 days	06,077,900	52,336,923	47,869,109
over 365 days	371,448,922	102,511,212	101,875,152
	77,526,822	54,848,135	149,744,261

20 FINANCIAL RISK MANAGEMENT - cont'd

(c) Credit risk - cont'd

Cash resources

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

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

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

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

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

	Superior G$	Desirable G$	Acceptable G$	Total G$
2021	86,533,822	-	-	86,533,822
2020	87,440,215	-	-	87,440,215

(d) Operational risk

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

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

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Fair values have been determined as follows:

		2021		2020	
	IFRS 13	Carrying value	Market Value	Carrying value	Market Value
Assets	Level	G$	G$	G$	G$
Cash resources	1	90,885,302	90,885,302	89,237,505	89,237,505
Investments	2	438,956,290	474,310,290	420,823,149	466,194,566
Loans receivable	3	3,512,930,291	3,512,930,291	3,197,992,203	3,197,992,203
Property, plant and equipment	3	313,226,096	313,226,096	303,571,328	303,571,328
Intangible asset	3	8,876,003	8,876,003	12,655,219	12,655,219
Other assets	3	32,112,177	32,112,177	28,517,177	28,517,177
		4,396,986,158	4,432,340,158	4,293,966,582	4,339,337,998
Liabilities					
Loans payable	3	615,489,449	615,489,449	411,400,428	411,400,428
Other payables and accruals	3	218,203,088	218,203,088	202,498,583	202,498,583
Bank Overdraft (secured)	1	122,749,633	122,749,633	138,417,931	138,417,931
		956,442,170	956,442,170	800,281,552	800,281,552

21 FAIR VALUE OF FINANCIAL INSTRUMENTS - cont'd

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

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

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

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

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

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

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

22 PENDING LITIGATION

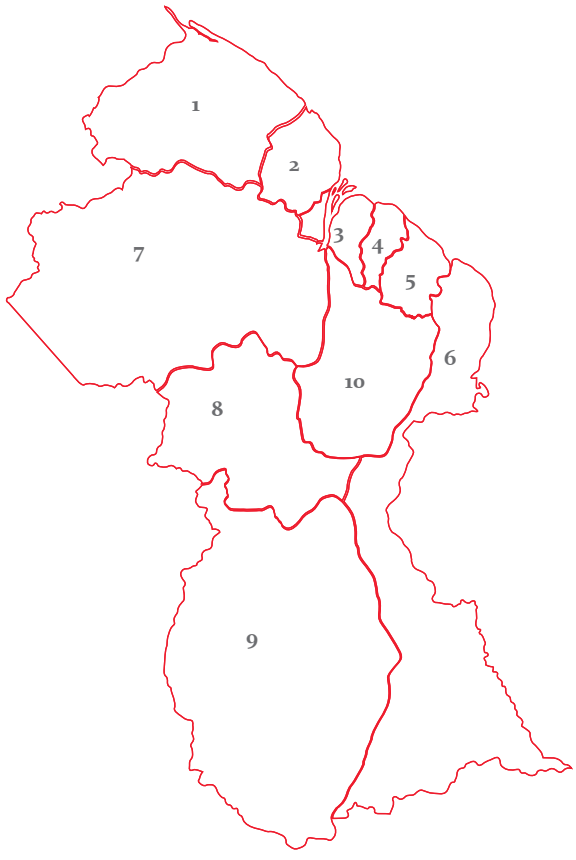
The Institute is a party to several legal actions in relation to loans which are currently before the Court, the outcome of which cannot be determined at this stage.

23 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on January 25, 2022.

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

Map of Guyana: Number of Enterprises per Regions



136	1	BARIMA - WAINI
1,077	2	POMEROON - SUPENAAM
430	3	ESSEQUIBO ISLANDS - WEST DEMERARA
745	4	DEMERARA - MAHAICA
1,078	5	MAHAICA - BERBICE
331	6	EAST BERBICE - CORENTYNE
16	7	CUYUNI - MAZARUNI
20	8	POTARO - SIPARUNI
68	9	UPPER TAKUTU - ESSEQUIBO
159	10	UPPER DEMERARA - UPPER BERBICE

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