INSTITUTE OF PRIVATE
ENTERPRISE DEVELOPMENT
LIMITED

ANNUAL REPORT 2022

GET GOING.KEEP GROWING

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

—Dr. Yesu Persaud
(DOB: 1928 - DOD: 2022)

Get Going. Keep Growing. With IPED

VISION

Improved livelihoods by building sustainable micro and small enterprise.

MISSION

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

OBJECTIVES

To promote a culture of entrepreneurship and to inspire and empower micro and small business owners to build sustainable enterprises.

To provide timely and adequate financing, technical assistance and business guidance to Micro and Small business owners to enhance their production potential and capacity to meet their market demands.

To promote sustainable environmental practices and technologies to micro and small businesses that will mitigate the risks of harm to our environment.

To build effective partnerships with organizations providing complementary support services to micro and small businesses.

To provide a work environment where all employees are treated fairly, are adequately compensated, trained and highly motivated towards the achievement of our vision.

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NOTICE OF MEETING

Notice is hereby given that the thirty-seventh Annual General Meeting of the Institute of Private Enterprise Development Limited will be held on Tuesday, April 25, 2023 at 14:30 hours in the Board Room of Institute of Private Enterprise Development Limited, 253-254 South Road, Bourda, Georgetown and virtually via zoom.us.

AGENDA

1. Chairman's Review of the Institute for the Year 2022
2. Receive and Consider the Institute's Accounts and Reports of the Directors and Auditors for the Year 2022
3. Elect Directors in the place of those retiring by rotation
4. Appointment of Auditors and Remuneration of Auditors
5. Any Other Business

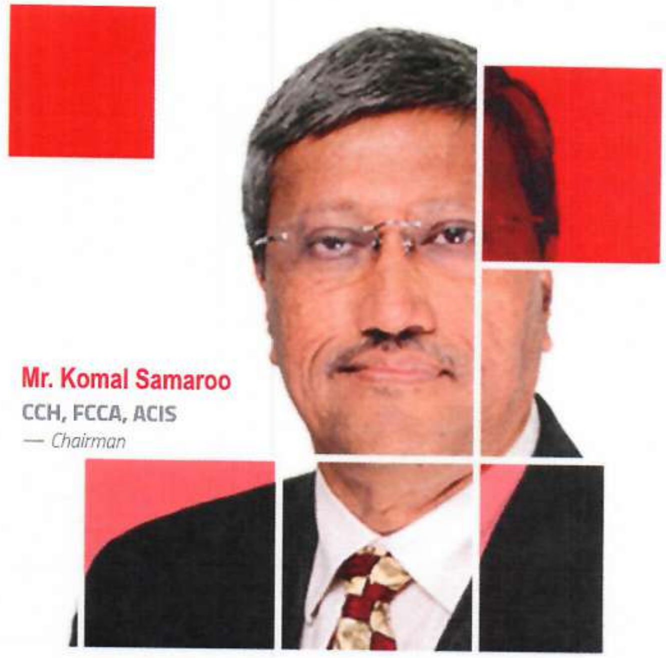
BY ORDER OF THE BOARD

Sherrie Hewitt
Company Secretary

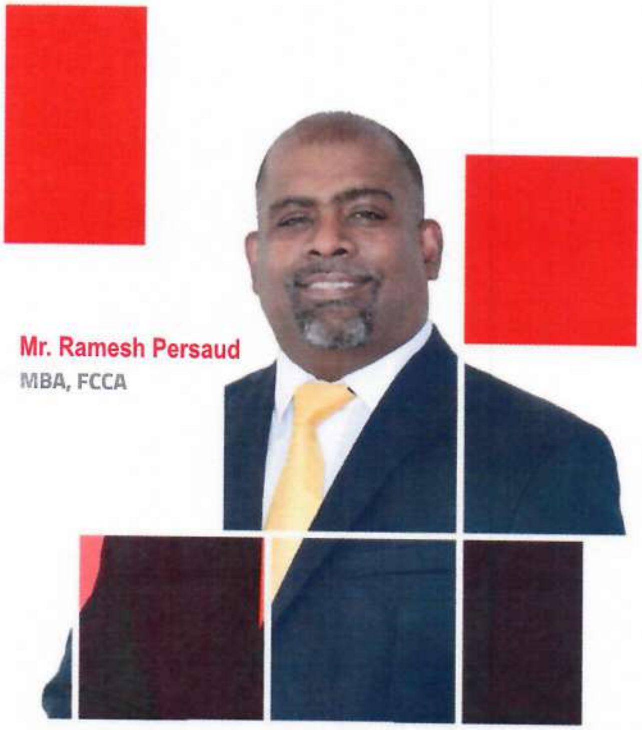
Registered Office:
253-254 South Road
Bourda
Georgetown

April 4, 2023

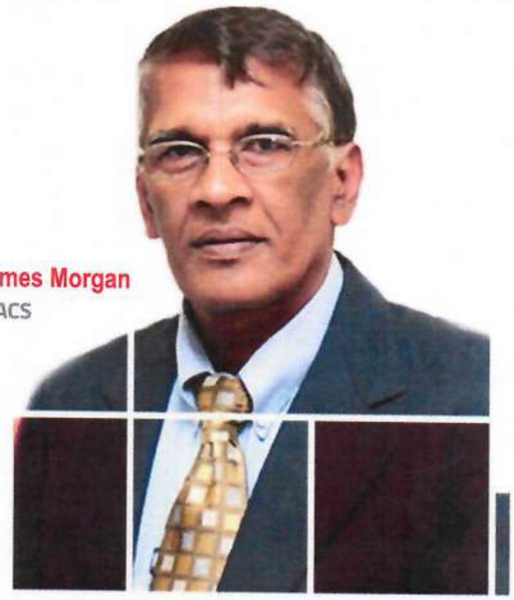
BOARD OF DIRECTORS



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

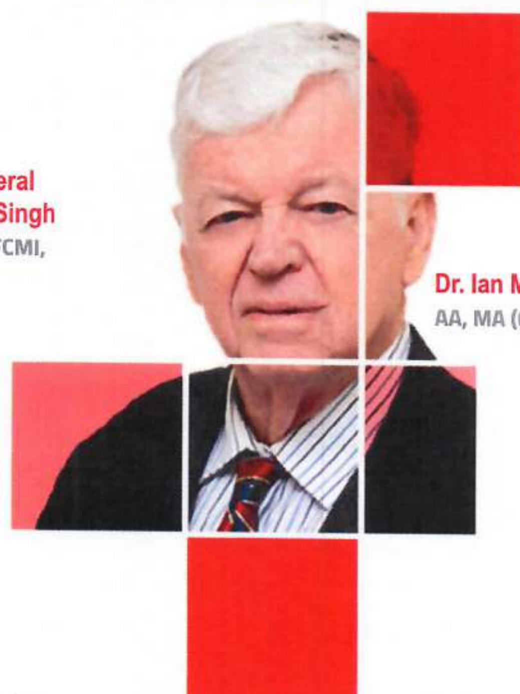


Mr. Ramesh Persaud
MBA, FCCA



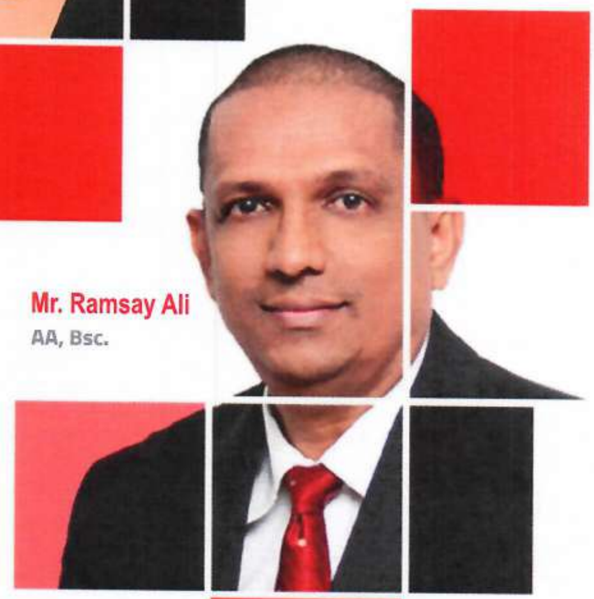
Mr. James Morgan
FLMI, ACS

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

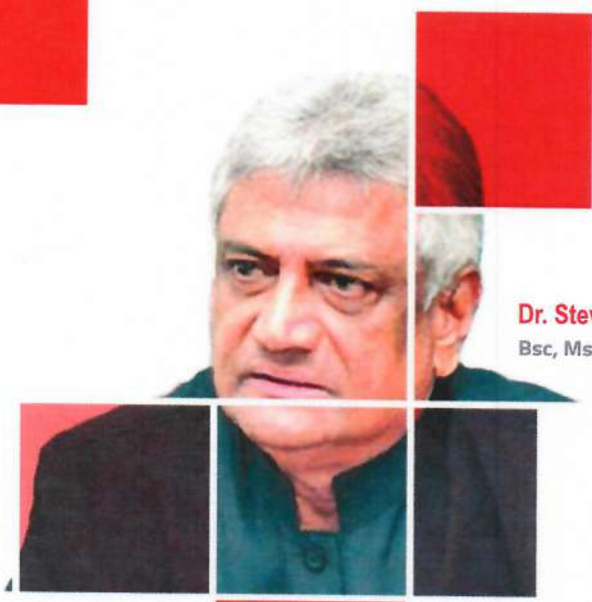


Dr. Ian McDonald
AA, MA (Cantab), FRSL

Mrs. Amanda Richards
MS, AICB



Mr. Ramsay Ali
AA, Bsc.



Dr. Steve Surujbally
Bsc, Msc, Ph.D

Dr. Gem Fletcher
Ph.D

IN MEMORY OF
DR. LESLIE CHIN
1937-2022

MAKING A DIFFERENCE

With great pleasure, we take this opportunity to honor Dr. Leslie Chin C.C.H.,. Former Chief Executive Officer of IPED, from 2002 to 2009 and has been a board member offering voluntary service since 1988.

Dr. Chin holds a Ph.D. in Human Nutrition, University of London and a B.Sc. First Class Honours, Biochemistry, University of Aberdeen. He has been married to Eileen Chin for more than 50 years and has four children and five grandchildren.

To the IPED family, Dr. Chin was a visionary and creative leader, mentor, and friend. The Hinterland thrust of IPED is the brainchild of Dr. Chin. He traveled extensively to make loans accessible to indigenous communities under the theme IPED, everywhere in Guyana for Everyone in Guyana. Dr. Chin was passionate about helping the poor which led to the creation of the Micro loan facility at IPED.

He served on several boards including the Sterling Products Limited, Demerara Mutual Life Assurance Society Limited, Demerara Bank Limited, Pomeroon Oil Mill Limited, Guyana Marketing Corporation, Laparkan Holdings Limited, National Aquaculture Association of Guyana, and Guyana Sugar Corporation.

Dr. Chin always wanted to make a difference, he was a passionate Rotarian, serving the Rotary Club of Georgetown Central as President and Charter member. He is also credited for creating a microenterprise Loan Window on behalf of IPED, and starting a Hinterland Trust to make loans available to Amerindian communities.

In 1991, Dr. Chin became Director of Canadian Executive Service Organization Business Advisory Services, a group which is responsible for bringing 450 Volunteers from Canada to advise small businesses in Guyana.

We remember Dr. Chin fondly for his famous mantras: "If you cannot measure it, you cannot improve it"; "there are three solutions to every problem" and "Pareto principle or the 80/20 rule which dictates that 20 percent of activities account for 80 percent of outcomes."

"Dr. Chin, my friend, and colleague. He will be greatly missed for his commitment, his wisdom, and his passion for innovation and growth by all of us with whom he has been associated on the various boards on which he served. His contribution to Guyana's development goes back way beyond his recent service and for those, we remain grateful."
Komal Samaroo (Chairman-IPED)

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
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
Ms Sherrie Hewitt-Robin
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 'C' Klein Pouderoyen,
West Bank Demerara
Tel: 592-264-3592

REGION 4

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

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

REGION 5

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

STAFF AWARDS

5 YEARS

Tricia Berkley	18th September, 2017
Sheldon Prince	10th July, 2017
Rhea Lewis	7th June, 2017
Devendra Lakhram	1st February, 2017

10 YEARS

Ashauna Alphonso-Cato	30th January, 2012
Dinesha Jones	13th February, 2012
Lisa Johnson	1st October, 2012

15 YEARS

Adolphus Sukhra	1st April, 2007

20 YEARS

Deborah Austin	15th July, 2002
Sheena Crandon	10th June, 2007

25 YEARS

Juanita Critchlow	3rd February, 1997

REPORT FROM THE CHAIRMAN

I am pleased to present the 2022 Annual Report of the Institute of Private Enterprise Development.

BACKGROUND

In February 2022, as the world was still returning to normalcy from the effects of the COVID 19 Pandemic, the war started in Ukraine disrupting global markets for energy and food commodities sending prices spiralling. Soaring prices coupled with tightening labour markets, high shipping costs and disruption of supply chains resulted in high inflation around the world. Global economic growth is now projected at around 3 percent compared with 5.9 percent in 2021.

Fuelled by a rapidly growing Oil and Gas sector, the economy of Guyana recorded growth rate in real terms of 62.3 percent, the highest growth rate recorded by any country in the world. The non-oil economy grew by 11.5 percent, exceeding the 7.7 percent projected at the beginning of the year. Agriculture, forestry, and fishing sector expanded by 11.9 percent in 2022, while the sugar sub-sector declined by 18.9 percent on account of the floods experienced in 2021.

RESULTS FOR THE YEAR

IPED had a very successful year in 2022 as it pursued its goal of supporting the growth of the Micro and Small business sector.

In 2022 IPED processed 5,013 loans for a total value of $3,910M compared to 4,060 loans for a total value of $3,224M in 2021. An increase of 953 or 23% loans for a value of $686M or 21% compared to 2021.

As of December 31, 2021, IPED was servicing 4,641 small and micro enterprises with a gross loan receivable of $4,111M. Total non-performing loans as at December 31, 2022 was $118M or 3%, compared to 2021's $300M or 8%

IPED's assets at the end of 2022, were valued at $5,609M, an increase of $801M or 17% from $4,808M as of December 31, 2021. Assets have been financed by accumulated surplus of $4,268M and liabilities of $1,341M. This is in comparison to 2021's accumulated surplus of $3,810M and $998M liabilities.

IPED's total operating income for 2022 was $848M compared to $717M in 2021, an increase of $131M or 18%. Total operating cost before loan impairment for 2022 was $588M compared to $550M in 2021, an increase of $38M or 7%. Loan impairment cost for 2022 was $38M compared to $14M in 2021.

IPED's operating surplus for 2022 was $223M compared to $153M in 2021, an increase of $70M or 45%, After remeasurement of its employees' pension plans, net total comprehensive income for 2022 was $458M compared to $314M in 2021.

NEW INITIATIVES IN THE YEAR

During the year IPED undertook a reassessment of the demand for loans from the Micro and Small business sector given prevailing economic conditions in the country and re-aligned its resources to better meet those needs. Consequently, the organisation decided to pivot away from medium loans ($5m-$35m) and to increase the maximum for small loans to $7.5M. IPED is also assisting its former medium loan clients to transition smoothly over time to the commercial banking sector.

In addition, a review was undertaken of its interest rates on various categories of loans. The decision was taken to reduce the interest rate on Micro loans by 31 percent.

In pursuance of Guyana's Low Carbon Development Strategy 2030, and aiding the reduction of Guyana's Carbon Footprint,

IPED launched its Green Loan Product in 2022. This facility (ECO-MICRO) provided concessionary funding during the project stage to clients who wished to invest in green technology for their businesses. The organization's intention is to continue to play an active role in the preservation of our environment, as many of our clients do business in zones that are at high risk of being affected by climatic changes.

IPED remains committed to contributing to poverty reduction and aiding national development, by ensuring a comprehensive approach through which not only finance is provided, but also the necessary training that would enable our clients to remain competitive and transition their businesses to another level. In this regard, key symbiotic relationships were developed with supporting agencies, especially the National Agricultural Research & Extension Institute (NAREI), that provided invaluable agriculture-based training and guidance to over two hundred of IPED's clients in areas such as shade house farming to assist in mitigating against the negative impacts of climate change.

With the advent of the oil and gas industry in Guyana, IPED will continue to re-examine its role in helping more persons to become entrepreneurs and take advantage of the expanded economic space while at the same time help to bridge the social gap between rich and poor in the society.

HUMAN RESOURCES

IPED recognised that its human resource capacity to meet the needs of its clients and support them in the development of their businesses is a key factor for future success. It will continue to train and develop its staff as it builds a nimble and responsive organisation aimed at providing the highest level of customer service. The organisation is committed to investing in modern Information Technology to enhance productivity and improve its service to clients.

ACKNOWLEDGEMENT

I wish to thank the Management and Staff of IPED at all levels for their continuing commitment to the goals and ideals on which the Institute was founded over 37 years ago. Their efforts contributed to the good financial results in the year. But more importantly, their efforts result in the success of the Institute's ability to change lives and provide opportunities to those who cannot access such services readily, through the formal banking sector.

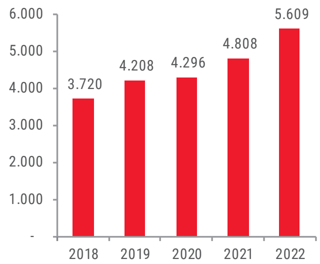
The Directors of IPED serve on a voluntary basis and give of their time, knowledge and experience willingly. I wish to sincerely thank them for their extraordinary and selfless contributions to the organisation and its success in 2022.
Finally, I wish to thank our clients for their desire to grow their businesses and contribute to our country's economic advancement and for willingly giving us the opportunity to help them on their growth path. Together we make our country a better place for all.

Thank you.

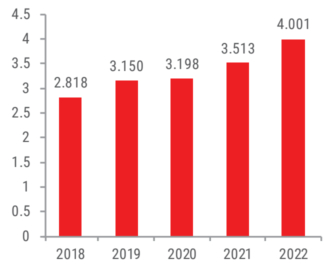
Komal Samaroo
Chairman

FINANCIAL SUMMARY

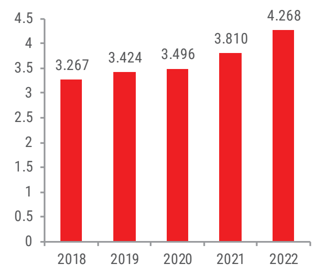
TOTAL ASSETS ($BILLIONS)



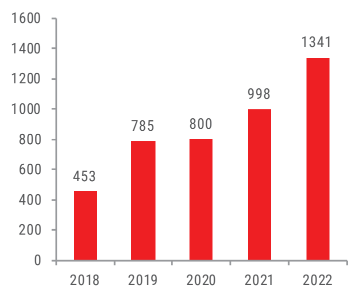
NET LOANS VALUE ($BILLIONS)



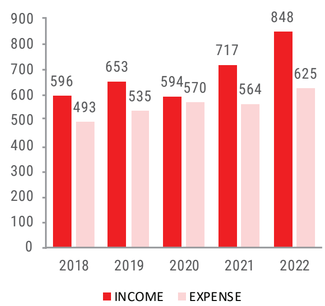
EQUITY ($BILLIONS)



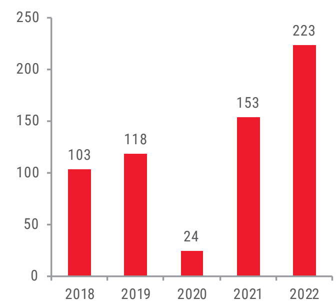
TOTAL LIABILITIES ($MILLIONS)



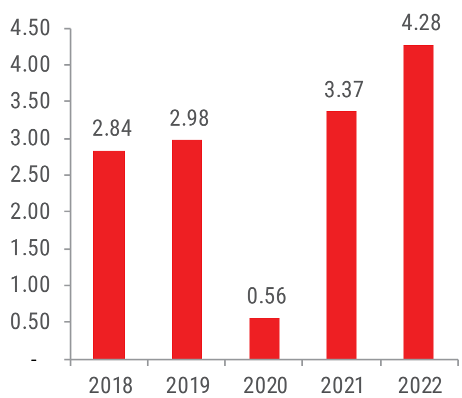
INCOME/ EXPENSE ($MILLIONS)



SURPLUS ($MILLIONS)

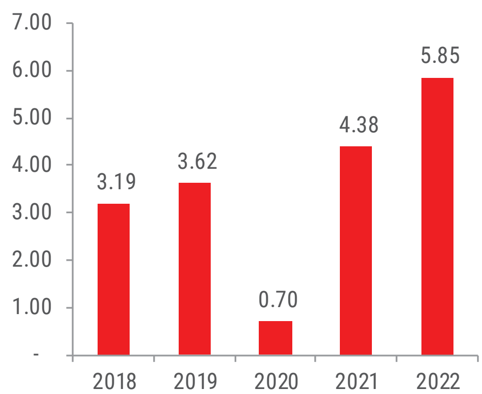


RETURN ON ASSETS (%)



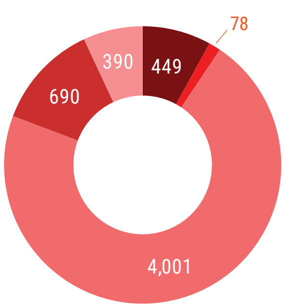
Return on Assets = Surplus/Total Assets

RETURN ON EQUITY (%)

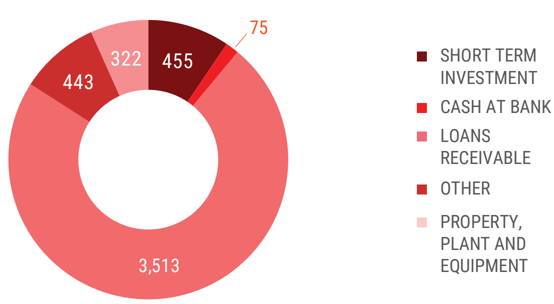


Return on Equity = Surplus/Total Equity

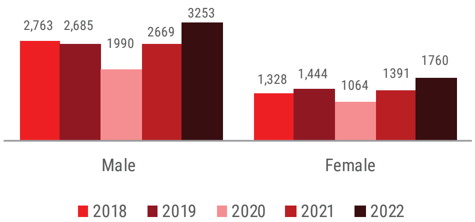
TOTAL ASSETS ($MILLIONS) 2022



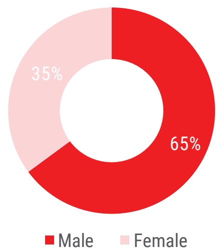
TOTAL ASSETS ($MILLIONS) 2021s



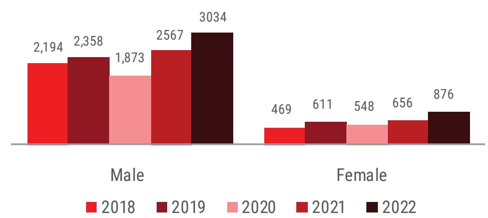
NUMBER OF LOANS BY GENDER



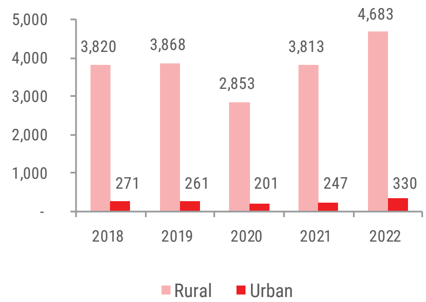
2022



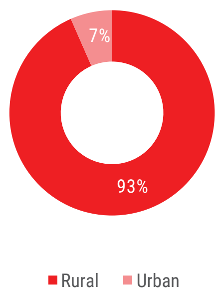
VALUE OF LOANS BY GENDER ($MILLIONS)



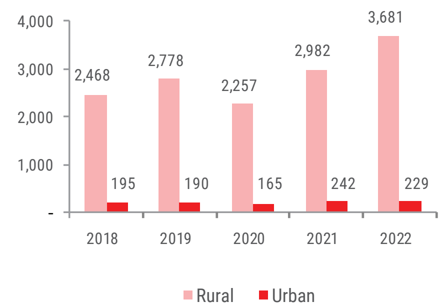
NUMBER OF LOANS BY GEOGRAPHICAL AREA



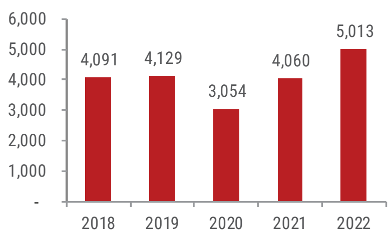
2022



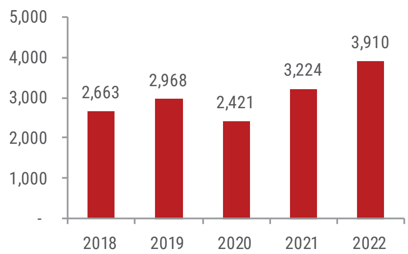
VALUE OF LOANS BY GEOGRAPHICAL AREA ($MILLIONS)



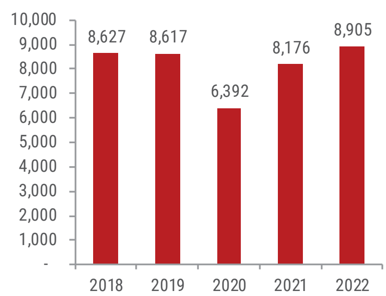
NUMBER OF LOANS GRANTED



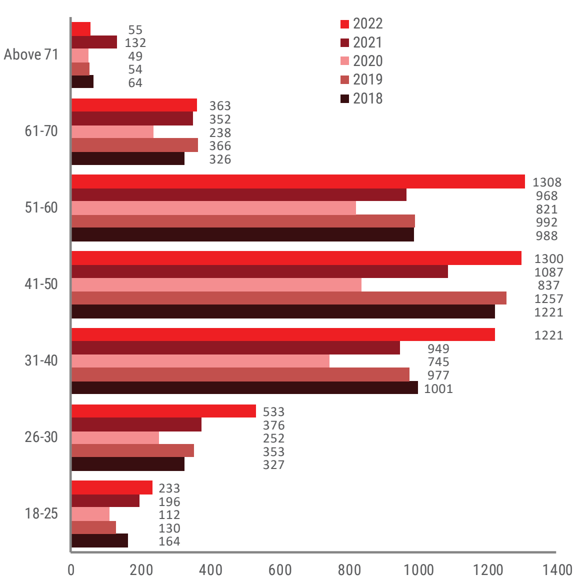
VALUE OF LOANS DISBURSED ($MILLIONS)



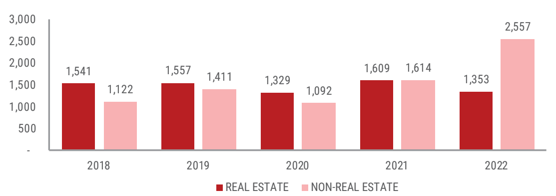
NUMBER OF JOBS CREATED/SUSTAINED



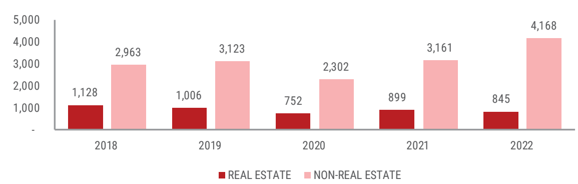
NUMBER OF LOANS BY AGE



VALUE OF LOANS BY COLLATERAL TYPE ($MILLIONS)



NUMBER OF LOANS BY COLLATERAL TYPE



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
Business Development & Marketing Manager


Mrs. Juanita Critchlow
Assistant Company/Assistant Legal Manager


Mr. Ganeshram Misir
Chief Internal Auditor


Mr. Avinash [illegible]
Branch Manager, Rosignol


Mr Devendra-Lakhram,
Branch Manager, Parika


Ms. Amanda Gonsalves
Branch Manager, Hinterland


Mr. [illegible] Lall
Senior Business Counsellor [illegible]


Mr. Shaun Persaud
Lusignan Branch Manager


Mr. Adolphus Sukhra
Branch Manager, Berbice

CLIENT AWARDS

Best Medium Enterprise

NARINE HARRIHAR
Retail trade
Corentyne, Berbice

Best Youth Entrepreneur

RAMESHWAR NARINE
Distribution, Parika Façade,
East Bank Essequibo

Best Small Enterprise Project

OSRIC LONCKE
Distribution,
Soesdyke, East Bank
Demerara

Best Micro Enterprise Project

JENNIFER HOLDER
Other Services, Tucville,
Georgetown

Best Woman Entrepreneur

CARLOTTA GRIMES
Distribution, East Ruimveldt,
Georgetown

Best Agricultural Project

PRINCESS BENTIK
Poultry (Layers and Broilers),
Amelia's Ward, Linden

LOAN STATISTICS

LOAN STATISTICS

ECONOMIC SECTOR	2022	2021	2020	2019	2018	2017	2016
Fishing	81	54	45	35	57	59	61
Hospitality Food Beverage	217	151	140	229	203	212	303
Livestock	159	115	79	99	129	117	141
Logging And Lumber	40	16	19	24	22	23	19
Manufacturing	188	123	112	133	154	143	169
Other Crops	323	349	226	283	274	315	292
Others	195	115	91	94	98	121	154
Poultry	273	342	242	243	213	262	300
Retail Trade	1,566	1,171	879	1,187	1,138	1,190	1,424
Rice	796	1,144	828	1,252	1,259	1,259	1,122
Services	426	223	195	281	266	277	257
Transportation	377	257	198	269	278	240	217
TOTAL	**4,641**	**4,060**	**3,054**	**4,129**	**4,091**	**4,218**	**4,459**

CLASSIFICATION OF LOAN RECEIPTS

CUMMULATIVE	2022	2021	2020	2019	2018	2017	2016
Men	3,253	2,669	2,685	2,763	2,743	2,766	2,591
Women	1,760	1,391	1,444	1,328	1,475	1,693	1,495
Joint - Men & Women	-	-					
TOTAL	**5,013**	**4,060**	**4,129**	**4,091**	**4,218**	**4,459**	**4,086**

ADMINISTRATIVE ANALYSIS

SUMMARY OF RESULT OF ACTIIVITIES	2022	2021	2020	2019	2018	2017	2016
No. of Loans Granted	5,013	4,060	4,129	4,091	4,218	4,459	4,086
Value of Loans Approved	3,909,979	3,223,541	2,968,451	2,663,138	2,683,540	2,286,201	1,852,213
No. of Jobs Created/Sustained	8,905	8,176	8,617	8,627	8,714	8,527	7,754
Average Loan Size	780	794	719.0	651.0	636.2	512.7	453.3
Administrative Cost Per Loan	107,825	126,094	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	439	394	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, 2022.

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 to 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 2022 saw improvements in the overall performance of the Institute, as increased emphasis was placed on engaging the micro and small entrepreneurs only, in accordance with the Institute's vision and mission.

In the year 2022, the Institute disbursed a total of 5,013 Loans valued at $3.9 billion compared to 4,060 loans valued at $3.22 billion in 2021. The loans created/sustained 8,905 jobs.

Income totalled $848 million and expenditure $625 million resulting in a surplus of $223 million for the year, compared to $153 million in the year 2021.

APPLICATION OF SURPLUS
Net surplus for the year 2022 was $223 million and this was transferred to the accumulated surplus which totalled $4.268 billion at the end of 2022.

CREDIT PROGRAMMES
In the year 2022, 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 continued its Micro Boost Loan Facility which was launched in April 2013.

ENTREPRENEURIAL DEVELOPMENT
The Business Development and Marketing Department of the Institute was conceptualised in the year 2021 and began its work in 2022. It replaces the Entrepreneurial Development Centre (EDC) in providing training, education, and development towards the aim of enhancing the chances of success. The Department will be providing 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. The Department is also working towards the development of the Institute as an organisation and the marketing to improve the awareness of and access to the Institute's services.

BOARD OF DIRECTORS
In 2022 there were 9 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. Mr Ramsay Ali
7. Major General (Retired) Joseph G. Singh
8. Dr Steve Surujbally
9. Mr Ramesh Persaud

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

1. Mr Komal Samaroo
2. Dr Gem Fletcher
3. Mr James Morgan

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

INDEPENDENT AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Institute of Private Enterprise Development Limited (the Institute), which comprise the statement of financial position as at December 31, 2022, and the statement of income, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 19-63.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2022, 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 2022 annual report, but does not include the financial statements and our auditor's report thereon. The Institute's 2022 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.

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

INDEPENDENT AUDITOR'S REPORT - CONT'D

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.
Brickdam,
Stabroek, Georgetown

Date: January 25, 2022

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	2022 G$	2021 G$
Interest income		790,339,300	668,079,380
Interest expense		47,121,033	38,025,001
Interest expense - Lease liability		3,182,137	2,877,888
Net interest income		**740,036,130**	**627,176,491**
Investment income	5	22,805,849	20,156,401
Other income	6	35,107,953	29,177,762
Net interest and other income		**797,949,932**	**676,510,654**
Employment cost	7a	290,365,505	288,023,701
Loan impairment		37,698,984	14,152,090
Premises and equipment		66,487,950	71,896,369
Other operating costs		180,490,184	149,142,072
		575,042,623	523,214,232
Surplus of revenue over expenditure	7	222,907,309	153,296,422

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

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	2022 G$	2021 G$
Surplus of revenue over expenditure	7	222,907,309	153,296,422
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to surplus or deficit:			
Remeasurement of provision for employee benefits	8	235,053,000	160,515,000
Other comprehensive income		235,053,000	160,515,000
Total Comprehensive Income for the year		457,960,309	313,811,422

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

	Capital donations G$	Accumulated surplus G$	Total G$
Balance at 1 January 2021	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
Surplus for the year	-	222,907,309	222,907,309
Remeasurement of provision for employee benefits	-	235,053,000	235,053,000
Total recognised income for the year	-	457,960,309	457,960,309
Balance at 31 December 2022	256,497,733	4,011,252,616	4,267,750,349

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

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

ASSETS	Notes	2022 G$	2021 G$
Cash resources	9	93,802,874	90,885,302
Investments	10	433,220,832	438,956,290
Loans receivable	11	4,001,389,864	3,512,930,291
Property, plant and equipment	12	386,374,976	313,226,096
Intangible asset	13	3,995,278	8,876,003
Defined benefit asset	8	661,900,000	409,058,000
Other assets	14	28,222,815	34,061,126
TOTAL ASSETS		5,608,906,639	4,807,993,108
EQUITY AND LIABILITIES			
EQUITY			
Capital donations	15	256,497,733	256,497,733
Accumulated surplus		4,011,252,616	3,553,292,307
		4,267,750,349	3,809,790,040
LIABILITIES			
Loans payable	16	373,369,134	615,489,449
Other liabilities	17	967,787,156	382,713,619
		1,341,156,290	998,203,068
TOTAL EQUITY AND LIABILITIES		5,608,906,639	4,807,993,018

These financial statements were approved by the Board of Directors on January 17, 2023.

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, 2022

	2022 G$	2021 G$
OPERATING ACTIVITIES		
Surplus of revenue over expenditure	222,907,309	153,296,422
Adjustments for:		
Depreciation	41,678,126	45,447,653
Amortisation	4,830,530	4,805,216
Remeasurement of provision for employee benefits	235,053,000	160,515,000
(Gain)/ loss on disposal of property, plant and equipment	1,497,936	(1,518,474)
Interest Expense - Lease liability	3,182,137	2,877,888
Operating surplus before working capital changes	509,149,038	365,423,705
Movements in:		
Loans receivable	(488,459,573)	(314,938,088)
Other receivables and prepayments	6,362,331	(3,595,000)
Inventory	(524,020)	344,640
Other payables and accruals	(9,166,672)	15,704,504
Defined benefit asset	(252,842,000)	(167,888,000)
Net cash used in operating activities	(235,480,896)	(104,948,239)
INVESTING ACTIVITIES		
Increase in investment	5,735,458	(18,133,141)
Purchase of property, plant and equipment	(106,346,750)	(55,897,676)
Purchase of intangible asset	-	(1,026,000)
Proceeds on sale of property, plant and equipment	311,478	2,313,730
Net cash used in investing activities	(100,299,814)	(72,743,087)
FINANCING ACTIVITIES		
Loan drawn down	30,000,000	350,000,000
Loan repayments	(272,120,316)	(145,910,979)
Lease interest	(3,182,137)	(2,877,888)
Repayment of the lease liabilities	(6,356,663)	(6,203,712)
Net cash provided by/(used in) financing activities	(251,659,116)	195,007,421
Net increase/(decrease) in cash resources	(587,439,826)	17,316,095
Cash resources at beginning of period	(31,864,331)	(49,180,426)
Cash resources at end of period	**(619,304,157)**	**(31,864,331)**
Comprising		
Bank overdraft (secured)	(713,107,031)	(122,749,633)
Cash resources	93,802,874	90,885,302
	(619,304,157)	**(31,864,331)**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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**
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendment to IAS 16: Proceeds before intended use	1 January 2022
Amendments to IAS 37: Onerous Contracts - Cost of fulfilling a contract	1 January 2022
Annual Improvements 2018-2020	1 January 2022

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**
IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 1: Presentation of financial statements on clasification of liabilities	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(h) Property, plant and equipment cont'd

(ii) Leases cont'd

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

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

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

(i) Intangible asset

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

(j) Inventories

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

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(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 a 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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(o) Loans receivable cont'd

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

(p) Impairment of financial assets

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

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

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

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(p) Impairment of financial assets cont'd

Impairment of tangible assets

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

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

(q) Derecognition of financial assets

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

(r) Financial liabilities

The Institute's financial liabilities are classified 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(s) Classification as a debt or equity instrument cont'd

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - CONT'D

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.

	2022 G$	2021 G$
5. INVESTMENT INCOME		
Cash resources	110,232	112,816
Investments - bonds	22,695,617	20,043,585
	22,805,849	20,156,401
6. OTHER INCOME		
Recoveries on loans previously written off	10,756,337	4,986,338
Fees- ICM courses	798,750	1,619,110
Others	23,552,866	22,572,314
	35,107,953	29,177,762

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

7.	**SURPLUS OF REVENUE OVER EXPENDITURE**	**222,907,309**	**153,296,422**
	After charging:		
	Depreciation and amortisation	46,508,656	50,252,869
	Employment cost (a)	290,365,505	288,023,701
	Auditors' remuneration (b)	928,820	875,500
	Impairment	37,698,984	14,152,090
	(a) Employment cost:		
	Salaries and wages	186,035,798	175,637,926
	Training, welfare and other cost	102,200,153	101,378,012
	Pension	2,129,554	11,007,763
		290,365,505	288,023,701
	(b) Auditor's remuneration		
	Audit services	928,820	875,500

(c) Directors' Emoluments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

8. DEFINED BENEFIT ASSET

TheInstituteparticipatesinadefinedbenefitplan(DemeraraDistillersLimitedPensionPlan)foritsemployees. Thecontributionsareheldintrusteeadministeredfunds which are separate from the Institute's resources, 88 (2021 - 87) employees participate in the plan.

During the year, the Institute's contribution to the scheme was G$19,804,000 (2021 - G$18,260,000).

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 2022 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 2022 using the Projected Unit Credit Method.

	2022 G$	2021 G$
Amounts in the statement of financial position:		
Defined benefit obligation	514,350,000	439,092,000
Fair value of plan assets	(1,176,250,000)	(848,150,000)
Net defined benefit asset	661,900,000	409,058,000
Reconciliation of amount recognised in the statement of financial position:		
Movement in Present value of defined benefit obligation		
Defined benefit obligation at start	439,092,000	366,527,000
Service cost	23,142,000	23,564,000
Interest cost	21,646,000	18,038,000
Members' contributions	7,522,000	6,797,000
Re-measurements		
Experience adjustments	35,457,000	35,840,000
Benefits paid	(12,509,000)	(11,674,000)
	514,350,000	439,092,000
Movement in fair value of plan assets		
Plan assets at start of year	848,150,000	607,697,000
Expected return on plan assets	42,773,000	30,715,000
Return on plan assets, excluding interest income	270,510,000	196,355,000
Company contributions	19,804,000	18,260,000
Members' contributions	7,522,000	6,797,000
Benefits paid	(12,509,000)	(11,674,000)
	1,176,250,000	848,150,000

8. DEFINED BENEFIT ASSET - CONT'D

	2022	2021
Asset allocation as at 31 December:	**G$**	**G$**
Guyanese and regionally listed equites	858,223,000	532,507,000
Overseas equities (developed markets)	72,708,000	55,181,000
Regional bonds	17,352,000	18,984,000
Developed market bonds	42,881,000	48,363,000
Emerging market bonds	32,617,000	40,133,000
Cash and cash equivalents	152,469,000	152,982,000
Total	**1,176,250,000**	**848,150,000**
Expense recognised in statement of income		
Current service cost	23,142,000	23,564,000
Net interest on net defined benefit liability/(asset)	(21,127,000)	(12,677,000)
Net pension cost	**2,015,000**	**10,887,000**
Re-measurements recognised in other comprehensive income		
Experience gains	235,053,000	160,515,000
Total amount recognised in other comprehensive income	**235,053,000**	**160,515,000**
Reconciliation of opening and closing statement of financial position		
Defined benefit asset at prior year end	(409,058,000)	(241,170,000)
Net pension cost	2,015,000	10,887,000
Re-measurements recognised in other comprehensive income	(235,053,000)	(160,515,000)
Contributions paid	(19,804,000)	(18,260,000)
Closing defined benefit asset	**(661,900,000)**	**(409,058,000)**

	2022	2021	2020	2019	2018
	G$	**G$**	**G$**	**G$**	**G$**
Experience History					
Defined benefit obligation	514,350,000	439,092,000	366,527,000	343,584,000	303,566,000
Fair value of plan asset	(1,176,250,000)	(848,150,000)	(607,697,000)	(529,474,000)	(434,933,000)
Surplus	(661,900,000)	(409,058,000)	(241,170,000)	(185,890,000)	(131,367,000)
Experience adjustment on plan liabilities	35,457,000	35,840,000	(14,392,000)	3,423,000	(37,613,000)
Experience adjustment on plan assets	270,510,000	196,355,000	34,044,000	53,896,000	(15,029,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

8. DEFINED BENEFIT ASSET - CONT'D

Summary of Principal assumptions:	**2022 Per annum**	**2021 Per annum**
Principal actuarial assumptions used:	%	%
Discount rate	5	5
Rate of salary increases	5	5
Future pension increases	2	2
Life expectancy at age 60 for current pensioner in years		
Male	21.9	21.8
Female	26.1	26.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	22.7
Female	27.1	27.0

Sensitivity Analysis

The impact on profit of changes in the assumptions used	1% pa increase $ million	1% pa increase $ million
Discount rate	130,620,000	111,788,000
Future salary increases	(31,999,000)	(29,045,000)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2022 by $9,646,000.

9. CASH RESOURCES

	2022 G$	**2021 G$**
Cash in hand	2,230,403	2,175,740
Cash at banks	86,528,768	71,359,167
Government of Guyana IFAD project	443,745	446,445
IADB	4,599,958	16,903,950
	93,802,874	90,885,302

10. INVESTMENTS

		2022 G$	2021 G$
(a)	Bonds	387,194,806	328,746,581
	These are made up as follows:		
	Government bonds	34,091,060	34,985,399
	Private entity bonds (unsecured)	353,103,746	293,761,182
		387,194,806	328,746,581
(b)	Cash resources	46,026,026	110,209,708
	Total investments	433,220,832	438,956,290

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

11. LOANS RECEIVABLE

	2022 G$	2021 G$
Gross loans	4,110,977,670	3,687,676,578
Less impairment allowance (a)	(109,587,806)	(174,746,287)
	4,001,389,864	3,512,930,291
Non- current loans receivable	2,632,929,513	2,387,535,076
Current loans receivable	1,478,048,157	1,300,141,502
	4,110,977,670	3,687,676,578
Non-performing loans receivable	149,236,032	309,981,380
Performing loans receivable	3,961,741,638	3,377,695,198
	4,110,977,670	3,687,676,578

		2022	2021
(a)	Impairment allowances		
	Individually assessed impairment		
	At 1 January	174,746,287	189,336,107
	Provision for the year	10,886,651	13,093,287
	Rural Enterprise and Agricultural Development Project Provisioning	-	732,437
	Bad debts written off	(76,045,132)	(28,415,544)
	At December 31	109,587,806	174,746,287

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

11. LOANS RECEIVABLE - CONT'D

The undiscounted fair value of collateral that the Institute holds relating to loans individually determined to be impaired at December 31, 2022 amounted to $253M (2021: $682M).. The collateral consists of cash, securities and properties.

Collateral realised

During the year, the Institute realized collateral amounting to $6,482,556 (2021: $0).

Judgement obtained

During the year, the Institute obtained judgement from the High Court amounting to $9,492,858 (2021: $0).

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 2020 G$
Cost								
At 1 January 2022	272,111,481	57,278,537	82,870,750	58,968,874	62,119,979	108,642,377	-	641,991,998
Additions	17,451,135	11,674,921	23,000,000	15,290,687	8,201,486	5,564,923	35,403,073	116,586,225
Reclassification	(2,946,200)	-	-	2,946,200	-	-	-	-
Disposals	-	(5,186,262)	(9,467,000)	(2,081,619)	(90,000)	(3,393,686)	-	(20,218,567)
At 31 December 2022	286,616,416	63,767,196	96,403,750	75,124,142	70,231,465	110,813,614	35,403,073	738,359,656
Depreciation								
At 1 January 2022	55,800,404	18,435,001	65,286,378	39,430,656	49,186,996	100,626,467	-	328,765,902
Charge for the year	5,248,238	7,141,279	7,362,490	7,690,900	6,477,560	7,757,659	-	41,678,126
Reclassification Adjusment	(224,588)	-	-	224,588	-	-	-	-
Write back on disposals	-	(3,889,703)	(9,467,000)	(2,081,619)	(90,000)	(2,931,026)	-	(18,459,348)
At 31 December 2022	60,824,054	21,686,577	63,181,868	45,264,525	55,574,556	105,453,100	-	351,984,680
Net book values:								
At 31 December 2022	225,792,362	42,080,619	33,221,882	29,859,617	14,656,909	5,360,514	35,403,073	386,374,976

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

12. PROPERTY, PLANT AND EQUIPMENT - CONT'D

	Freehold land and buildings (i)	Right-of-use assets (ii)	Motor vehicles	Furniture, fixtures and fittings	Office machinery	Computer equipment	Work in progress	Total 2020
	G$	G$	G$	G$	G$	G$	G$	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	58,968,874	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 on disposals	(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	-	328,765,902
Net book values:								
At 31 December 2021	216,311,077	38,843,536	17,584,372	19,538,218	12,932,983	8,015,910	-	313,226,096

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

13. INTANGIBLE ASSET

	2022 G$	2021 G$
Cost		
At 1 January	25,546,927	24,520,927
Additions	-	1,026,000
Disposal	(483,040)	-
As at 31 December	25,063,887	25,546,927
Amortisation		
At 1 January	16,670,924	11,865,708
Charge for the year	4,830,530	4,805,216
Write back on disposal	(432,845)	-
As at 31 December	21,068,609	16,670,924
Net book value:		
As at 31 December	3,995,278	8,876,003

The intangible asset represents a payment for the development and implementation of the Institute's MIS system and is being amortised over a period of four years.

14. OTHER ASSETS

	2022 G$	2021 G$
Prepayments	20,052,186	21,043,522
Inventory	2,472,969	1,948,949
Others	5,697,660	11,068,655
	28,222,815	34,061,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

15. CAPITAL DONATIONS	2022 G$	2021 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	2022 G$	2021 G$
(i)	IADB	SFR	375,000	4,202,709	5,463,523
(ii)	IADB	USD	800,000	11,657,141	22,285,713
(iii)	Demerara Bank Limited	GYD	410,000,000	329,602,922	351,055,589
(iv)	Demerara Bank Limited	GYD	350,000,000	-	236,684,624
(v)	Demerara Bank Limited	GYD	100,000,000	27,906,362	-
				373,369,134	615,489,449
Repayments due within one year				42,908,032	66,709,304
Repayments due within two to five years				125,598,286	132,473,046
Repayments due after five years				204,862,816	416,307,099
				330,461,102	548,780,145
				373,369,134	615,489,449

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

16. LOANS PAYABLE - CONT'D

(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, which was fully drawn down as of July 09, 2021. This loan was repayable over 120 equal monthly installments of GYD$3,886,000 commencing August 07, 2021 and was fully repaid on July 15, 2022.

(v) Demerara Bank Limited approved a loan of GYD$100,000,000 as of September 07, 2022 GYD$30,000,000 was drawn down. This loan is payable over 180 equal monthly installments of GYD$844,000 commencing October 7, 2022 and matures on September 7, 2037. Interest shall accrue at a rate of 6% per annum.

The DBL loans are secured by Investment Bonds (US$1.58m), money market account (G$16.2m) and the following four (4) properties in the name of the Institute (G$540.5m 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

	2022 G$	2021 G$
Bank overdraft	713,107,031	122,749,633
Accruals	40,113,098	39,276,380
Collateral improvement scheme (i)	87,448,632	90,997,783
Internal indemnity fund (ii)	17,739,242	6,976,824
Government of Guyana IFAD project (iii)	41,515,409	41,515,409
Lease payable (iv)	45,643,710	41,760,898
Grant payables (v)	-	19,504,000
Related Party - GYBT	4,908,109	1,937,523
Miscellaneous	17,311,925	17,995,168
	967,787,156	382,713,619

17 OTHER LIABILITIES - CONT'D

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

	2022	2021
	G$	G$
At 1 January	90,997,783	93,525,821
Decrease during the year	(3,549,151)	(2,528,038)
At 31 December	87,448,632	90,997,783

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

(iii) This is a revolving fund managed on behalf of the Government of Guyana for the Rural Enterprise and Agricultural Development Project, of this $2,567,819 (2021 - $4,076,870) is outstanding as loans receivable and the remainder of $38,937,590 (2020 - $37,438,539) is cash resources available for lending.

(iv) Lease Payable	2022 G$	2021 G$
Guyana Lands & Surveys Commission - Lease Payable	17,355,977	17,449,037
Private Individuals - Lease Payable	28,287,733	24,311,861
	45,643,710	41,760,898
Repayments due within one year	10,790,400	9,081,600
Repayments due within two to five years	25,480,000	20,561,600
Repayments due after five years	44,980,000	48,220,000
	70,460,000	68,781,600
Less: Future finance charges		
Due within one year	(2,738,631)	(2,505,638)
Due within two to five years	(7,292,117)	(6,738,983)
Due after five years	(25,575,942)	(26,857,681)
	(35,606,690)	(36,102,302)
Present Value of Lease Obligations	45,643,710	41,760,898

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.

17. OTHER LIABILITIES - CONT'D

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.

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

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

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

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

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

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

17. OTHER LIABILITIES - CONT'D

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

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

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

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

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

(v) A grant of USD$150,000 was approved for the Institute by the Inter-American Development Bank, and as of December 31, 2022, US$150,000 was drawn down and utilized for the purpose to assist the Instittute to develop financial products for small and meduim size contract farmers.

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 were 7 (2021 - 7)

The remuneration paid to key management personnel during the year was as follows:	**2022 G$**	**2021 G$**
Short term employee benefits	65,343,615	66,128,585
Post-employment benefits	7,537,387	8,302,957
	72,881,002	74,431,542

(ii) **Other information**

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

Trust Company Guyana Limited	Investment account	433,220,833	438,956,290
	Interest Income	22,805,849	20,156,401
	Investments fees paid	1,383,879	1,332,747

18. RELATED PARTY - CONT'D

Demerara Bank Limited	Deposit accounts	48,493,548	55,781,277
	Overdraft	713,107,031	122,749,633
	Interest on overdraft	15,752,272	7,103,198
	Loan	357,509,284	587,740,213
	Loan Repayment	260,230,930	133,003,405
	Interest on loans	28,478,192	26,392,389
Guyana Youth Business Trust.	Payables	4,908,109	1,937,523
Diamond Fire General Insurance	Insurance Payments	6,142,755	5,506,140

Loans to key management personnel

	2022	**2021**
	G$	**G$**
Balance at end of year	750,537	760,807

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

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

19. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS - CONT'D

2021	Financial Assets and Liabilities at amortised cost	Total
Assets	**G$**	**G$**
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

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. FINANCIAL RISK MANAGEMENT - CONT'D

20.4 Internal audit

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

20.5 Risk measurement and reporting systems

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

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

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

(a) Market risk

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

(i) Interest rate sensitivity analysis.

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

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 2022 would increase/decrease by G$29,506,976 (2021: G$20,728,110).

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

(a) Market risk 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 31.12.2022						
		Within 1 year						
	Interest rate range %	On Demand G$	Due in 3 mths G$	Due 3 - 12 mths G$	2 to 5 years G$	Over 5 years G$	Non-interest bearing G$	Total G$
Assets								
Investments	0%-10%	46,026,026	-	-	-	387,194,806	-	433,220,832
Loans receivable	0%-52%	148,508,173	334,740,448	932,226,168	2,077,076,110	508,838,965	-	4,001,389,864
Other receivables and prepayments		-	-	-	-	-	25,749,846	25,749,846
Cash resources	0%-2%	88,610,983	-	-	-	-	5,191,891	93,802,874
		286,106,670	334,740,448	932,226,168	2,077,076,110	896,033,771	27,980,249	4,554,163,416
Liabilities								
Loans payable	1%-6%	-	-	42,908,032	125,598,286	204,862,816	-	373,369,134
Lease payable	1%-6%	-	-	8,051,769	18,187,883	19,404,058	-	45,643,710
Other payables and accruals		-	-	-	-	-	209,036,415	209,036,415
Bank overdraft (secured)	6%	713,107,031	-	-	-	-	-	713,107,031
		713,107,031	-	50,959,801	143,786,169	224,266,874	209,036,415	1,341,156,290
Interest Sensitivity Gap		(427,000,361)	334,740,448	881,266,367	1,933,289,941	671,766,897	(181,056,166)	3,213,007,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

20. FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk cont'd

(ii) Interest rate risk cont'd

		Maturing 31.12.2021						
		Within 1 year						
	Interest rate range %	On Demand G$	Due in 3 mths G$	Due 3 - 12 mths G$	2 to 5 years G$	Over 5 years G$	Non-interest bearing G$	Total 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	1,709,005,058	627,703,722	-	3,512,930,291
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	1,709,005,058	956,450,303	34,287,917	4,074,884,060
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	1,562,709,395	518,780,885	(183,915,171)	3,076,680,992

20. FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk- cont'd

(iii) Foreign currency risk

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

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

	United States dollars G$	Canadian dollars G$
2022		
Assets	440,465,226	549,366
Liabilities	-	-
Net assets	440,465,226	549,366
2021		
Assets	492,597,587	707,236
Liabilities	19,504,000	-
Net assets	512,101,587	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.

	2022 G$	2021 G$
Surplus:		
Canadian Dollars	13,734	17,681
United States Dollars	11,011,631	12,802,540

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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 assets and liabilities by maturity:

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

	Maturing 31.12.2021					
	Within 1 year					
	On Demand G$	Due in 3 mths G$	Due 3 - 12 mths G$	2 to 5 years G$	Over 5 years G$	Total G$
Liabilities						
Loans payable	-	-	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

20. FINANCIAL RISK MANAGEMENT - CONT'D

(c) Credit risk

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

Gross maximum exposure:	**2022 G$**	**2021 G$**
Investments	433,220,832	438,956,290
Loans receivable	4,001,389,864	3,512,930,291
Other receivables	5,697,660	11,068,655
Cash resources	89,342,068	86,533,822
Total credit risk exposure	4,529,650,424	4,049,489,058

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.

20. FINANCIAL RISK MANAGEMENT-CONT'D

(c) Credit risk - cont'd

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

(i) Geographical sectors

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

	2022 G$	2021 G$
Guyana	4,096,554,215	3,610,657,391
Regional	34,091,060	34,985,400
International	399,005,149	403,846,267
	4,529,650,424	4,049,489,058

(ii) Industry sectors

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

	2022 G$	2021 G$
Government and government bodies	37,580,734	37,580,734
Financial sector	582,345,861	498,978,033
	619,926,595	536,558,767

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

20. FINANCIAL RISK MANAGEMENT-CONT'D

	2022	2021
Loans Receivable	G$	G$
Fishing	86,273,591	89,951,851
Hospitality - Food & Beverage	128,958,716	129,624,127
Livestocks	145,869,966	127,331,251
Logging & Lumber	125,908,108	139,970,945
Manufacturing	133,880,284	118,161,568
Other Crops	198,943,145	168,221,653
Others	197,481,649	166,449,094
Poultry	137,289,519	110,652,445
Retail Trade	1,152,232,907	1,059,994,044
Rice	1,058,083,478	969,978,806
Services	412,346,920	360,580,050
Transportation	333,709,387	246,760,744
Gross Loans Receivable	4,110,977,670	3,687,676,578
Less: Allowance for impairment	(109,587,806)	(174,746,287)
Net Loans Receivable	4,001,389,864	3,512,930,291
	4,621,316,459	4,049,489,058

Analysis of IFRS 9 expected credit losses by sector:

Facility	2022	2021
	G$	G$
Fishing	825,620	2,427,574
Hospitality - Food & Beverage	5,858,375	9,782,140
Livestocks	3,868,750	3,662,652
Logging & Lumber	110,846	808,443
Manufacturing	3,305,951	6,609,706
Other Crops	5,880,988	8,763,430
Others	6,446,044	7,579,790
Poultry	7,131,983	13,981,730
Retail Trade	49,697,384	70,880,711
Rice	4,523,377	5,248,883
Services	17,498,230	37,479,355
Transportation	4,440,258	7,521,873
	109,587,806	174,746,287

20. FINANCIAL RISK MANAGEMENT-CONT'D

Investments- bonds

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

Superior:	Government and Government Guaranteed securities and securities secured by a letter of comfort from the Government. These securities are considered risk free.
Desirable:	Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has good financial strength and reputation.
Acceptable:	Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has fair financial strength and reputation.
Sub-standard:	These securities are either more than 90 days in arrears but are not considered impaired, or have been restructured in the past financial year.

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

	Superior G$	Desirable G$	Acceptable G$	Sub-standard G$	Total G$
Financial Investments:					
Amortized Cost					
2022	19,195,935	399,129,772	-	14,895,125	433,220,832
2021	19,199,500	403,970,891	-	15,785,899	438,956,290

20. FINANCIAL RISK MANAGEMENT-CONT'D

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.

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$**	**Total G$**
2022	3,276,713,350	514,956,683	71,151,338	138,568,493	4,001,389,864
2021	2,766,790,420	404,024,279	76,266,519	265,849,073	3,512,930,291

Loans receivable

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

20. FINANCIAL RISK MANAGEMENT-CONT'D

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

Ageing of receivables that are past due but not impaired

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

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	511,479,475	100,623,171	31,188,676

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

20. FINANCIAL RISK MANAGEMENT-CONT'D

Ageing of impaired receivables

2022	Principal G$	Exposure G$	Provision G$
31-90 days	-	-	-
91-180 days	-	-	-
181-365 days	26,319,214	13,070,846	13,070,846
over 365 days	149,236,032	23,915,907	23,915,907
	175,555,246	36,986,753	36,986,753
2021			
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
	386,546,384	81,475,046	120,697,312

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.

20. FINANCIAL RISK MANAGEMENT-CONT'D

(c) Credit risk - cont'd

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$
2022	89,342,068	-	-	89,342,068
2021	86,533,822	-	-	86,533,822

(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).

21. FAIR VALUE OF FINANCIAL INSTRUMENTS - CONT'D

Fair values have been determined as follows:

		2022		2021	
Assets	**IFRS 13 Level**	**Carrying value G$**	**Market Value G$**	**Carrying value G$**	**Market Value G$**
Cash resources	1	93,802,874	93,802,874	90,885,302	90,885,302
Investments	2	433,220,832	435,784,345	438,956,290	474,310,290
Loans receivable	3	4,001,389,864	4,001,389,864	3,512,930,291	3,512,930,291
Property, plant and equipment	3	386,374,976	386,374,976	313,226,096	313,226,096
Intangible asset	3	3,995,278	3,995,278	8,876,003	8,876,003
Other assets	3	25,749,846	25,749,846	32,112,177	32,112,177
		4,944,533,670	4,947,097,183	4,396,986,158	4,432,340,158
Liabilities					
Loans payable	2	373,369,134	373,369,134	615,489,449	615,489,449
Other payables and accruals	2	209,036,415	209,036,415	218,203,088	218,203,088
Bank Overdraft (secured)	1	713,107,031	713,107,031	122,749,633	122,749,633
		1,295,512,580	1,295,512,580	956,442,170	956,442,170

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

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

23. CAPITAL COMMITMENTS

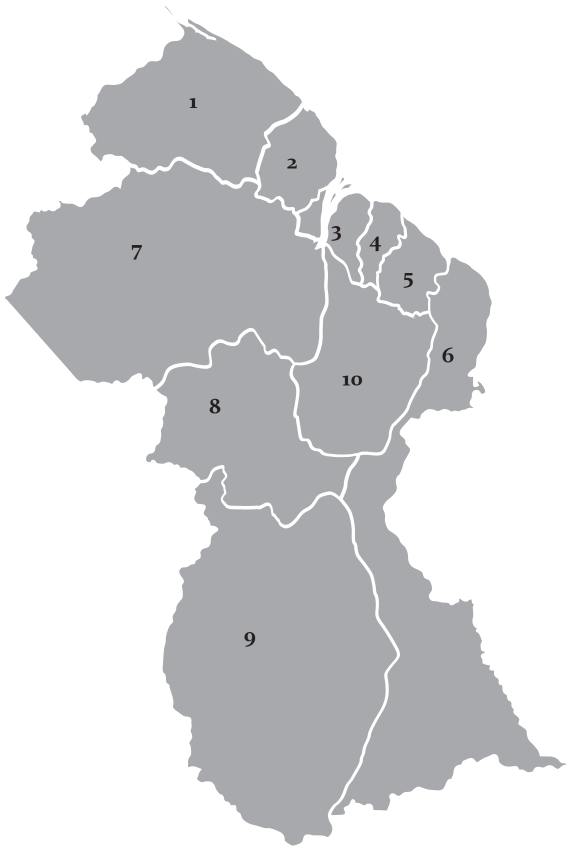
	2022	2021
	G$	G$
Contracted for but not received	59,010,000	-

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on January 17, 2023.

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



234	1	BARIMA - WAINI
1,187	2	POMEROON - SUPENAAM
556	3	ESSEQUIBO ISLANDS - WEST DEMERARA
933	4	DEMERARA - MAHAICA
1,493	5	MAHAICA - BERBICE
296	6	EAST BERBICE - CORENTYNE
36	7	CUYUNI - MAZARUNI
22	8	POTARO - SIPARUNI
108	9	UPPER TAKUTU - ESSEQUIBO
148	10	UPPER DEMERARA - UPPER BERBICE

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