

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

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**CONTRACTED AUDITORS: PARMESAR CHARTERED  
ACCOUNTANTS  
1 DELPH ST. & DUREY  
LANE CAMPBELLVILLE  
GEORGETOWN**

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

AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA POWER AND LIGHT INCORPORATED  
FOR THE YEAR ENDED 31 DECEMBER 2022

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AG: 128/2023

17 May 2022

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF  
THE GUYANA POWER AND LIGHT INCORPORATED  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

### *Opinion*

Chartered Accountants Parmesar Chartered Accountants have audited on my behalf the financial statements of Guyana Power and Light Incorporated, which comprise the statement of financial position as at 31 December 2022, and the statement of 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 5 to 40.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Guyana Power and Light Incorporated as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### *Basis for Opinion*

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

### *Going Concern*

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

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

### *Emphasis of Matter*

Without qualifying my opinion, I draw attention to Note 13 (ii) which explains that the recoverability of \$2,282,626,833 representing net amount due from the Guyana Sugar Corporation Incorporated is dependent on the outcome of ongoing discussions between the Company and the Government of Guyana.

### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements as at and for the year ended 31 December 2022. These matters are selected from the matters communicated with those charged with governance, but are not intended to represent all the matters that were discussed with them. My audit procedures relating to these matters were designed in the context of my audit of the financial statements as a whole. My opinion on the financial statements is not modified with respect to certain key audit matters described below, and I do not express an opinion on these individual matters.

#### *- Valuation and impairment of Property, Plant and Equipment*

The financial statements detailed property, plant and equipment with a net book value of \$35.5 billion. No revaluation of property, plant and equipment was done during the year.

Property, plant and equipment are considered Key Audit Matters as significant management judgement was used to select depreciation rates for each item of property, plant and equipment. I found that the assumptions used by management in relation to the carrying value of property, plant and equipment were in line with my expectations and the disclosure in note 6 to be appropriate.

*My procedures in relation to management's valuation included:*

Test calculation of depreciation rates for property, plant and equipment to ensure consistency with accounting policies and industry rates;

Obtain and check written representation by management on their assessment of impairment;

Assess the methodology used by management to carry out impairment review;

Physical verification of selected assets which were acquired during the current and prior years; and

Verification of the policy for acquisition and disposals of property, plant and equipment.

*- Valuation of Defined Benefit Liability (Employee Retirement Benefits)*

The Company has recognized a defined benefit liability of \$526M. This is considered to be a Key Audit Matter since assumptions that underpin the valuation of the defined benefit pension liability is important and also involve subjective judgements as the surplus/deficit balance is volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.

*My procedures in relation to actuarial valuation included:*

Review of the actuarial report for the year ended 31 December 2022 and ensuring information was presented and disclosed in accordance with IAS 19;

Obtain an understanding of the methodology and assumptions used by the actuary and assessing whether these were consistent with prior years and my understanding of the client;

Review the source data used by the Company actuary and performing tests to ascertain its completeness and accuracy; and

Assess the professional competence, including the qualifications, experience and reputation of the actuary.

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

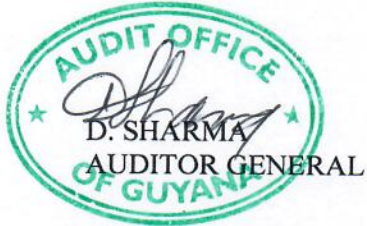
As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

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

*Report on Other Legal and Regulatory Requirements*

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



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**REPORT OF THE CHARTERED ACCOUNTANTS  
PARMESAR  
TO THE AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF  
GUYANA POWER & LIGHT INC.  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**OPINION:**

We have audited the attached financial statements of Guyana Power & Light Inc. which comprise the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022, and notes to the financial statement, including a summary of significant accounting policies as set out on pages 9 to 40.

In our opinion, these financial statements present fairly, in all material respects the financial position of Guyana Power & Light Inc. as of 31 December 2022, and of its financial performance and its statement of cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

**BASIS OF OPINION:**

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Company 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 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.

**GOING CONCERN**

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

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



## **EMPHASIS OF MATTER**

Without qualifying our opinion, we draw attention to note 13 (ii) which explains that the recoverability of \$2,282,626,833 representing net amount due from the Guyana Sugar Corporation Inc is dependent on the outcome of ongoing discussions between the Company and the Government of Guyana.

## **KEY AUDIT MATTERS:**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 31 December 2022. These matters are selected from the matters communicated with those charged with governance, but are not intended to represent all the matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to certain key audit matters described below, and we do not express an opinion on these individual matters.

### **- Valuation and impairment of Property, plant and equipment**

The financial statements detailed property, plant and equipment with a net book value of \$35.5B. No revaluation of property, plant and equipment was done during the year.

Property, plant and equipment are considered Key Audit Matters as significant management judgement was used to select depreciation rates for each item of property, plant and equipment. We found that the assumptions used by management in relation to the carrying value of property, plant and equipment were in line with our expectations and the disclosure in note 6 to be appropriate.

### **Our procedures in relation to management's valuation included:**

Test calculation of depreciation rates for property, plant and equipment to ensure consistency with accounting policies and industry rates;

Obtain and check written representation by management on their assessment of impairment.

Assess the methodology used by management to carry out impairment review.

Physical verification of selected assets which were acquired during the current and prior years;

Verification of the policy for acquisition and disposals of property, plant and equipment.

- **Valuation of Defined Benefit Asset (Employee Retirement Benefits)**

The Company has recognized a defined benefit asset of \$526M. This is considered to be a Key Audit Matter since assumptions that underpin the valuation of the defined benefit pension asset is important and also involve subjective judgements as the surplus / deficit balance is volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.

**Our procedures in relation to actuarial valuation included:**

Review of the actuarial report for the year ended 31 December 2022 and ensuring information was presented and disclosed in accordance with IAS 19;

Obtain an understanding of the methodology and assumptions used by the actuary and assess whether these were consistent with prior years and our understanding of the client;

Review the source data used by the Company actuary and perform tests to ascertain its completeness and accuracy;

Assess the professional competence, including the qualifications, experience and reputation of the actuary.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

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

**AUDITOR'S RESPONSIBILITY**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 International Standards on Auditing 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.

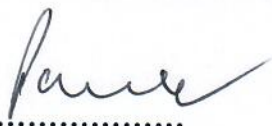
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also,

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

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.



.....  
**PARMESAR**

**PARMESAR**

16 May 2023

**Guyana Power and Light, Inc.**  
**Statement of Financial Position**  
**As at December 31, 2022**

ASSETS	Notes	2022 GS '000	2021 GS '000
<b>Non Current Assets</b>			
Property, plant and equipment	6	35,517,088	27,358,778
Intangible assets	7	832,295	832,295
Work-in-progress	8	13,232,793	23,161,777
Defined benefit asset	20	525,900	-
Deferred tax assets	9	9,987,736	7,764,537
		<u>60,095,812</u>	<u>59,117,387</u>
<b>Current assets</b>			
Inventories	10	9,726,052	4,459,006
Receivables and prepayments	11	2,462,573	6,698,517
Deposits	12	411,952	372,171
Related parties	13	6,139,776	5,831,520
Investments	14	828,000	828,000
Cash resources	15	1,855,034	1,175,840
		<u>21,423,387</u>	<u>19,365,054</u>
<b>Total Assets</b>		<u>81,519,199</u>	<u>78,482,441</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	16	23,118,244	23,118,244
Accumulated deficit		(31,821,941)	(21,138,173)
		<u>(8,703,697)</u>	<u>1,980,071</u>
<b>Non Current Liabilities</b>			
Related parties	13	37,832,590	39,133,857
Advances customer financed project	17	758,147	1,231,585
Provision for decommissioning	18	242,900	242,900
Customer deposits	19	4,269,262	3,924,947
Defined benefit liability	20	-	1,282,500
Deferred tax liability	9	182,929	490,185
		<u>43,285,828</u>	<u>46,305,974</u>
<b>Current liabilities</b>			
Related parties	13	28,626,943	17,612,499
Deferred income	21	34,510	33,236
Advances customer financed project	17	539,526	541,166
Payables and accruals	22	17,736,089	12,009,495
		<u>46,937,068</u>	<u>30,196,396</u>
<b>Total Equity and Liabilities</b>		<u>81,519,199</u>	<u>78,482,441</u>

**On behalf of the Board**

GUYANA POWER & LIGHT INC.

  
 \_\_\_\_\_  
**Chairman**

  
 \_\_\_\_\_  
**Director**

The notes on pages 9 to 40 form an integral part of these financial statements.

**Guyana Power and Light, Inc.**  
**Statement of Comprehensive Income**  
**As at December 31, 2022**

	Notes	2022 GS '000	2021 GS '000
<b>Revenue</b>		37,949,891	34,550,491
<b>Generation cost</b>	<b>23</b>	39,653,188	29,528,767
<b>Operating profit</b>		<u>(1,703,297)</u>	<u>5,021,724</u>
<b>Other Income</b>		<u>1,125,421</u>	<u>679,237</u>
<b>EXPENSES</b>			
Employment Costs	<b>24</b>	3,758,394	5,690,482
Repairs and Maintenance - T & D		448,553	673,477
Depreciation	<b>25</b>	3,566,905	3,578,639
Administrative Expenses	<b>26</b>	2,551,214	2,269,115
Rates and Taxes		46,077	50,842
Loss on Exchange		-	46,259
Bad Debts		511,900	461,179
PUC Assessment and License		75,995	73,116
Interest Expenses		1,676,830	2,001,521
		<u>12,635,868</u>	<u>14,844,630</u>
<b>Loss before taxation</b>		(13,213,744)	(9,143,669)
<b>Taxation</b>	<b>27</b>	<u>2,529,976</u>	<u>2,550,770</u>
<b>Loss after taxation</b>		<u>(10,683,768)</u>	<u>(6,592,899)</u>
Loss per share	<b>28</b>	<u>(84)</u>	<u>(52)</u>

The notes on pages 9 to 40 form an integral part of these financial statements.

**Guyana Power and Light, Inc.**  
**Statement of Changes in Equity**  
**As at December 31, 2022**

	Notes	Share capital	Reserves	Total
		G\$'000	G\$'000	G\$'000
<b>Year ended 31 December 2022</b>				
As at beginning of year		23,118,244	(21,138,173)	1,980,071
Loss for the year		-	(10,683,768)	(10,683,768)
As at end of year		<u>23,118,244</u>	<u>(31,821,941)</u>	<u>(8,703,697)</u>
<b>Year ended 31 December 2021</b>				
As at beginning of year		23,118,244	(14,545,274)	8,572,970
Loss for the year		-	(6,592,899)	(6,592,899)
As at end of year		<u>23,118,244</u>	<u>(21,138,173)</u>	<u>1,980,071</u>

The notes on pages 9 to 40 form an integral part of these financial statements.

**Guyana Power and Light, Inc.**  
**Statement of Cash Flows**  
**As at December 31, 2022**

	<b>2022</b>	<b>2021</b>
	<b>GS '000</b>	<b>GS '000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(13,213,744)	(9,143,669)
Adjustments for:		
Depreciation	3,566,905	3,578,639
Deferred income	1,274	(537)
Defined pension benefit liability	(1,808,400)	541,000
Interest expense	(1,676,830)	2,001,521
<b>Operating loss before working capital changes</b>	<b>(13,130,795)</b>	<b>(3,023,046)</b>
Working capital changes		
(Increase) / decrease in inventories	(5,267,046)	756,566
Decrease in receivables and prepayments	4,235,944	6,783,877
Increase / (decrease) in payables and accruals	5,726,594	(441,261)
Increase in related parties	10,706,188	1,815,405
Taxes paid	(479)	(34,312)
<b>Net Cash Inflow - Operating Activities</b>	<b>2,270,406</b>	<b>5,857,229</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(11,725,215)	(1,806,519)
Decrease / (increase) in work in progress	9,928,984	(4,841,025)
(Increase) / decrease in deposit	(39,781)	215,525
<b>Net Cash Outflow - Investing Activities</b>	<b>(1,836,012)</b>	<b>(6,432,019)</b>
<b>FINANCING ACTIVITIES</b>		
(Decrease) / increase in non current related parties	(1,301,266)	738,252
Interest paid	1,676,830	(2,001,521)
Customer deposits	344,314	356,992
Decrease in advances customer financed projects	(475,078)	(491,001)
<b>Net Cash Outflow - Financing Activities</b>	<b>244,800</b>	<b>(1,397,278)</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>679,194</b>	<b>(1,972,068)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>1,175,840</b>	<b>3,147,908</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>1,855,034</b>	<b>1,175,840</b>
<b>Represented By:</b>		
Cash Resources	1,855,034	1,175,840

The notes on pages 9 to 40 form an integral part of these financial statements.

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**1. ACCOUNTING POLICIES**

**(a) Incorporation and principal activity**

**(i) Incorporation**

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

**(ii) Principal activity**

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

These financial statements were approved for issue by the Board of Directors on 11 May, 2023.

**(iii) Statement of significant accounting policies**

**Basis of preparation**

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

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

**2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

The following standards or pronouncements if applicable are mandatorily effective for the current financial period:

**New or Revised Standards**

IAS 1 Amendments - Definition of material

IFRS 16 Amendments - COVID-19-related rent concessions

IAS 19 Amendments - Plan amendments, curtailment or settlement

IFRIC 23 Uncertainty over income tax treatments

IAS 28 Amendments - Long term interests in associates and joint ventures

IFRS 3 Amendments - Definition of a business



**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS CONT'D**

The following new standard and amendments and improvements to existing standards have been published and are effective in future financial years. No significant impact is expected to arise from these new pronouncements.

**New and revised standards**

IFRS 17 - Insurance contracts

IAS 16 Amendments- Lease liability in a sale and leaseback transaction

IAS 1 Amendments- Classification of liabilities as current or non- current

IAS 1 Amendments- Non current liabilities with covenants

IAS 1 Amendments- Disclosure of accounting policies

IAS 8 Amendments- Definition of accounting estimates

IAS 37 Amendment- Onerous contracts: Cost of fulfilling a contract

IFRS 3 Amendments- Reference to the conceptual framework

IAS 16 Amendments- Property, plant and equipment: proceeds before intended use

The standards and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below.

**Definition of Material (Amendments to IAS 1 and IAS 8)**

The amendment to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies', changes in accounting estimates and errors', and other consequential amendments to other IFRSs:

- (i) Use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- (ii) Clarify the explanation of the definition of material; and
- (iii) Incorporate some of the guidance in IAS 1 about immaterial information.

The amended definition is: 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole.

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONT'D)**

**Definition of Material (Amendments to IAS 1 and IAS 8) - (Cont'd)**

The amendment also clarifies the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

**Amendments to References to the Conceptual Framework in IFRS Standards**

The IASB has revised its Conceptual Framework. The Framework is not an IFRS standard and does not override any standard. The revision will not result in any immediate change to IFRS however the revised Framework will be used in future standard-setting decisions. Preparers may also use the framework to develop accounting policy where an issue is not addressed by an IFRS.

**Definition of a Business (Amendments to IFRS 3)**

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organized workforce.

None of the above new and amended standards and interpretations had a significant effect on the financial statements of the Company.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property, plant and equipment**

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

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

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Property, plant and equipment (cont'd)**

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

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

Previous to 2013, interest on loans expensed rather than capitalized.

**Revaluation**

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

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

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revaluation (cont'd)**

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

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

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

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

**Depreciation**

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

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

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.2 Impairment of tangible and intangible assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

**3.3 Work-in-progress**

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.4 Leased assets**

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

**3.5 Inventories**

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

**3.6 Receivables and provision for bad and doubtful debts**

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

Provision is made in these financial statements for amounts included in receivables of which the eventual cash realisation is considered remote. The provision has been estimated at 1.5% of turnover (excluding revenue from prepaid sales) based on previous experience and is provided for in the statement of income as at 31 December 2022.

**3.7 Foreign currency**

Functional and presentation currency

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

Transaction and balances

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.8 Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable 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.

**3.9 Revenue**

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

**3.10 Taxation**

Tax charged against profits for the year comprises current and deferred tax.

**3.11 Statutory taxation**

The tax payable is based on taxable profit for the year. Taxable profit differs from the net profits as reported in the statement of comprehensive income because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax charge is calculated using tax rates that have been enacted at the date of the statement of financial position.

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.12 Deferred tax**

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

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

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

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

**3.13 Statutory and deferred taxes for the period**

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



**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.14 Employee benefits**

The company's pension scheme is managed independently by the Hand in Hand Trust Corporation Inc and is governed by a Trust Deed. The Trust Deed requires an actuarial valuation at least once every three year. However pension costs are assessed annually in accordance with the advice of independent actuaries.

The provisions in respect of the guaranteed post-employment benefits and the termination gratuities represent the present value of the obligations at the statement of financial positions' date minus the fair value of any plan assets held to cover the obligations, together with adjustment for actuarial gains/losses.

The obligations have been calculated by an independent actuary using hybrid method as charged or credited to income over the average remaining lives of the related employees.

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

**3.15 Advance customer financed projects**

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

**3.16 Cash and cash equivalents**

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES**

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

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

(i) Statutory taxes

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

(ii) Provisions

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

**5. JUDGEMENT IN APPLYING THE COMPANY'S POLICIES**

The Company exercises judgement in the following areas:

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

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**6. PROPERTY, PLANT AND EQUIPMENT**

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

Guyana Power and Light, Inc.  
Notes to the Financial Statements  
As at December 31, 2022

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Transmission					2021 Total G\$'000
	Land and Buildings G\$'000	Generation Facilities G\$'000	& Distribution Facilities G\$'000	Motor Vehicles G\$'000	Furniture & Equipment G\$'000	
As at beginning of the year	2,575,959	33,867,731	31,547,101	821,212	1,292,716	70,104,719
Additions	135,051	44,467	1,059,604	470,698	96,699	1,806,519
As at end of the year	2,711,010	33,912,198	32,606,705	1,291,910	1,389,415	71,911,238
<b>Depreciation</b>						
As at beginning of the year	544,482	19,702,113	18,880,237	681,815	1,165,174	40,973,821
Charges for the year	70,400	1,474,510	1,823,672	130,040	80,017	3,578,639
As at end of the year	614,882	21,176,623	20,703,909	811,855	1,245,191	44,552,460
<b>Net Book Value</b>						
As at end of the year	2,096,128	12,735,575	11,902,796	480,055	144,224	27,358,778

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

	<b>2022</b>	<b>2021</b>
	<b>G\$'000</b>	<b>G\$'000</b>
<b>7. INTANGIBLE ASSETS</b>		
As at beginning and end of the year	<u>832,295</u>	<u>832,295</u>
<p>This represents the cost of the Customer Information System (CIS) and Pre-Paid software that were capitalised based on the recognition criteria set out under the International Accounting Standard (IAS) 38. This standard prescribes an assessment for impairment at the end of each reporting year in accordance with IAS 36.</p>		
<b>8. WORK-IN-PROGRESS</b>		
As at beginning of the year	23,161,777	18,320,752
Additions	1,101,522	6,564,894
Transfers to property, plant and equipment	(10,862,154)	(582,864)
Transfers to inventory and expense	(168,352)	(1,141,005)
As at end of the year	<u>13,232,793</u>	<u>23,161,777</u>
<p>Work-in-progress represents amount spent on tangible fixed assets which have not been completed at the end of the financial year.</p>		
<b>9. DEFERRED TAX</b>		
<b>Deferred tax asset arising from :</b>		
(a) Tax losses	10,119,211	7,443,912
Defined benefit pension liability	(131,475)	320,625
	<u>9,987,736</u>	<u>7,764,537</u>
<b>DEFERRED TAX LIABILITY</b>		
<b>Deferred tax liability arising from :</b>		
(b) Excess capital allowance over depreciation	<u>(182,929)</u>	<u>(490,185)</u>

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
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<b>10. INVENTORIES</b>	<b>2022</b> <b>GS'000</b>	<b>2021</b> <b>GS'000</b>
Fuel	1,635,039	1,003,136
Capital Items & Spares	3,022,816	3,043,768
Goods in Transit	5,068,197	412,102
	<u>9,726,052</u>	<u>4,459,006</u>

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

**11. RECEIVABLES**

Customer accounts	12,435,791	16,423,532
Others	968,773	705,076
Less: provision for bad debts	(10,941,991)	(10,430,091)
	<u>2,462,573</u>	<u>6,698,517</u>

This amount stated as receivable represents amounts attributable to the company.

Represents prepayments, advances and value added tax.

This Company makes an annual provision of 1.5% of turnover net of prepaid sales.

**12. DEPOSITS**

(i) Letters of Credit	12	12
(ii) Republic Bank (Guyana) Ltd - Cash Collateral Account	1,431	1,432
(iii) Bank of Guyana IDB Project (EMISDE)	105,356	74,690
(iv) Bank of Guyana IDB Project (Power Utility Upgrade)	305,153	296,037
<b>Total</b>	<u>411,952</u>	<u>372,171</u>

(ii) Represent amounts held against letters of credit for the purchase of supplies from Hexing Electrical Company Limited for the use in the Unserved Areas Electrification Programme.

(iv) The Government of the Co-operative Republic of Guyana (GOG) and the Inter-American Development Bank signed a financing agreement on the 10 October 2014 for the execution of the Power Utility Upgrade Program for the enhancement of operational efficiency and corporate performance. The Program is also co-financed by the European Union's Caribbean Investment Facility (CIF) through a Project Specific Grant (PSG). This deposit balance represents funding received and unspent at year end.

**Guyana Power and Light, Inc.**  
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	<b>2022</b>	<b>2021</b>
	<b>G\$'000</b>	<b>G\$'000</b>
<b>13. RELATED PARTIES</b>		
<b>Current Assets</b>		
(i) Bill Direct	183,636	183,636
Impairment provision	(183,636)	(183,636)
	<u>-</u>	<u>-</u>
(ii) Guyana Sugar Corporation Inc.	2,282,627	2,282,627
(iii) Skeldon Energy Inc.	3,845,824	3,537,568
Giftland	11,325	11,325
	<u>6,139,776</u>	<u>5,831,520</u>
<b>Current Liabilities</b>		
(iv) Guyana Electricity Corporation - Customer Deposits	12	12
(v) Government of Guyana - Petro Caribe Loan	12,469,835	11,684,941
(vi) Government of Guyana - Infrastructural development	3,216,799	2,501,954
(vii) Government of Guyana - Capital expenditure	3,940,297	3,425,592
Government of Guyana - Electricity advance	9,000,000	-
	<u>28,626,943</u>	<u>17,612,499</u>
<b>Non-Current Liabilities</b>		
(viii) Government of Guyana - Infrastructural development	3,216,799	3,931,643
(ix) Government of Guyana - Petro Caribe Loan	4,958,928	5,743,822
(x) Government of Guyana - SOESIQSP Loan	1,182,196	1,155,131
(xi) Government of Guyana - PUUP Loan	13,077,523	12,611,380
(xii) Government of Guyana - Capital Expenditure	3,780,269	4,294,973
(xiii) Government of Guyana - EMISDE	619,245	399,278
(xiv) Government of Guyana - ISDB Loan	17,237	17,237
(xv) Government of Guyana - GCRG/GPL Loan No. 1/2020	10,980,393	10,980,393
	<u>37,832,590</u>	<u>39,133,857</u>

(i) This represents amount owed by collection agent - Bill Direct, for remittances received from GPL's customers which were not remitted to GPL. Despite receiving judgment from the High Court in its favour, management has assessed the recoverability of this amount as remote and has accordingly recognised an impairment provision.

(ii) This represents the net amount owing by Guyana Sugar Corporation for Heavy Fuel Oil loaned and/or utilised from GPL's inventory and for electricity purchased under the Power Purchase Agreement. As of April 2015, the Power Purchase Agreement came to an end. No interest is charged on this amount. During the year Guysuco did not make any payment towards the balance outstanding. Management is currently engaged in discussions with the Government of Guyana to determine the terms of settlement of this amount. Management believes that on conclusion of these discussions the company will be able to recover the full amount, hence no provision for impairment has been recognised.

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
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**13. RELATED PARTIES (CONT'D)**

(iii) This amount comprise the net of: (1) loan of eleven million United States Dollar (USD11M)-terms of repayment of this loan is being finalised; (2) expenses paid on behalf of Skeldon Energy Inc and (3) cost of purchased power for the period April 2015 to December 2016.

(iv) This represents the amount remaining due to the Guyana Electricity Corporation for amounts collected on its behalf in respect of electricity sold prior to the incorporation of Guyana Power & Light Inc. in accordance with the Operations and Agency Agreement. These were written off in 2009 and the balance represents the amount that is still owing as a result of a stale dated cheque.

(v) and (ix) This represents financing under the Petrocaribe Loan Agreement between the Government of Guyana and the Guyana Power & Light Inc. for the procurement of the 20.7MWW and 15.6MW Kingston Wartsila Power Plants, 26MW Vreed-en-Hoop Wartsila Power Plant, and five(5) Caterpillar Sets. Interest is charged at 3% per annum and repayment is over a fifteen year (15) period.

(vi) and (viii) This represents financing under the GPL Infrastructure Development Project - Government Concessional Loan Agreement between the Government of Guyana and the Export-Import Bank of China(EXIM) for the development of the company's high voltage 69kv transmission lines, 36/13.8kv substations and all relevant interconnections. Interest is charged at 4% per annum and repayment is over a twelve year (12) period, with a five (5) years moratorium.

(vii) and (xii) This represent two loans from the Government of Guyana for capital expenditure in the sum of \$4,770,000,000 and US\$12,065,000. The terms of repayment of these loans are as follows:

- Interest at the rate of 3% per annum shall be capitalised as part of the loan for the first two years. The sum of \$4,770,000,000 plus interest capitalised for the first two years shall be repaid in fifteen (15) annual instalments commencing on 14 November, 2016.

- Interest at the rate of 3% per annum shall be capitalised as part of the loan for the first two years. The sum of US\$12,065,000 plus interest capitalised for the first two years shall be repaid in fifteen (15) equal annual instalments commencing on 29 October,2017, The rate of interest on this loan is 3% per annum

(x) This represents US\$5 million financing under the Sustainable Operation of the Electricity Sector and Improved Quality of Service Project funded, through a Concessional Loan Agreement between the Government of Guyana (GOG) and the Inter- American Development Bank (IDB). The Project covers three (3) components (a) - Capacity Building and Energy Conservation, (b) Rehabilitation of the Low Voltage Distribution Network, and (c) Commercial Loss Reduction Actions. This loan is proposed to attract an interest rate at 1% above the London Interbank Offered Rate (LIBOR). The total loan was disbursed as at 31 December 2017.



**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**13. RELATED PARTIES (CONT'D)**

(c) (x) This represents US\$64.573 million financing under the Power utility Upgrade Program funded through a Financing Agreement between the Government of the Co-operative Republic of Guyana (GOG) and the Inter- American Development Bank (IDB) and co-financed by the European Union's Caribbean Investment Facility (CIF). The Program covers three (3) components (a) – Strengthening GPL's Management Capabilities, (b) Operational Efficiency, and (c) Infrastructure Investment for Loss Reduction. This loan is proposed to attract an interest rate at 1% above the London Interbank Offered Rate (LIBOR). A total of US\$6,899 million was disbursed to date.

**14. INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	<b>G\$'000</b>	<b>G\$'000</b>
Skeldon Energy Inc. 44.45% shares	828,000	828,000

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

**15. CASH RESOURCES**

Cash at bank	1,842,892	1,164,925
Cash in hand	12,142	10,915
	<u>1,855,034</u>	<u>1,175,840</u>

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

			2022	2021
16. SHARE CAPITAL	Number	Minimum Issue Price	G\$'000	G\$'000
<b>Authorised:</b>				
(i) Common shares	Unlimited	100	-	-
(ii) Class A Preference Shares	12,000,000	100	-	-
(iii) Class B Preference Shares	12,000,000	100	-	-
Special Share	1	100	-	-
<b>Issued:</b>				
Common shares	55,074,228	182	9,999,361	9,999,361
Net Liabilities converted to				
(iv) Common Shares	18,496,667	182	3,366,394	3,366,394
Promissory Note converted to				
(v) Common Shares	3,450,000	180	621,000	621,000
Conversion of Subsidy	8,241,758	182	1,500,000	1,500,000
(vi) Conversion of subsidy	32,967,033	182	6,000,000	6,000,000
Conversion of subsidy	5,494,505	182	1,000,000	1,000,000
Conversion of subsidy	3,469,720	182	631,489	631,489
	<u>127,193,911</u>		<u>23,118,244</u>	<u>23,118,244</u>

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

(i) The company is authorised to issue an unlimited amount of common shares at a minimum price of G\$100.

(ii) In 2004, all Class A preference shares were automatically and permanently converted to 12,000,000 common shares of G\$180 each.

(iii) In 2005, all class B preference shares were converted to common shares retroactively to October 1, 2004.

(iv) and (v) In 2010, the Government of Guyana approved the retroactive conversion of G\$3.336B in net liabilities and a G\$621M promissory note to common shares.

(vi) In 2011, Government of Guyana converted G\$1.5B of fuel subsidy to common shares at G\$182 each.

**Guyana Power and Light, Inc.**  
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**As at December 31, 2022**

	<b>2022</b>	<b>2021</b>
	<b>GS'000</b>	<b>GS'000</b>
<b>17. ADVANCE CUSTOMER FINANCED PROJECTS</b>		
<b>Contributions</b>		
As at beginning of the year	9,936,224	9,851,401
Contributions during the year	64,448	84,823
As at end of the year	<u>10,000,672</u>	<u>9,936,224</u>
<b>Amortisation</b>		
As at beginning of the year	(8,163,473)	(7,587,649)
Amortisation during the year	(539,526)	(575,824)
As at end of the year	<u>(8,702,999)</u>	<u>(8,163,473)</u>
Net advance customer financed projects	<u>1,297,673</u>	<u>1,772,751</u>
<b>Current Liabilities:</b>		
Capital Contributions (CFP)	257,263	252,354
Capital Contributions (UAEP) Government	9,590	16,171
Capital Contributions (GOG)	<u>272,673</u>	<u>272,641</u>
	<u>539,526</u>	<u>541,166</u>
<b>Non-Current Liabilities:</b>		
Capital Contributions (CFP)	8,704	27,804
Capital Contributions (UAEP) Government	7,100	10,110
Capital Contributions (GOG)	<u>742,343</u>	<u>1,193,671</u>
	<u>758,147</u>	<u>1,231,585</u>
<b>18. PROVISION FOR DECOMMISSIONING</b>		
<p>This provision was made at incorporation to be utilised for the future cost of decommissioning certain generation facilities as and when they arise. Management reviews this for adequacy on an ongoing basis. As at December 31, 2022 management considered this amount to be adequate.</p>		
<b>19. CUSTOMER DEPOSITS</b>		
Customer deposits	<u>4,269,262</u>	<u>3,924,947</u>

**Guyana Power and Light, Inc.**  
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**19. CUSTOMER DEPOSITS CONT'D**

This represents monies for security deposits collected from customers prior to the provision of service. Up to 31 October, 2011 interest was accrued on security deposit at the rate of 7% per annum. Pursuant to a request made by GPL to the Public Utilities Commission the rate of interest has been reduced to 2.4%. Amounts initially paid by customers along with accumulated interest are refunded when customers cease to utilise the service.

**20. DEFINED BENEFIT LIABILITY**

**(a) Description of Scheme**

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

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

**(b) Funding**

Members pay regular contribution of 5% of salaries. The Company finance the balance of the cost funding the defined benefits. Currently the company pays a contribution of 7% of salaries. The Company expects to pay \$271 million in 2022.

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

	<b>2022</b>	<b>2021</b>
	<b>GS'000</b>	<b>GS'000</b>
Present value of defined benefit obligation	6,757,500	6,773,100
Fair value of assets	(7,283,400)	(5,490,600)
Net IAS 19 defined benefit (asset) / liability	<u>- 525,900</u>	<u>1,282,500</u>

**(d) Reconciliation of opening and closing statement of financial position entries.**

Defined benefit liability	6,773,100	5,464,200
Current service cost	292,900	250,300
Interest cost	333,000	267,200
Members' contribution	105,800	97,100
Re-measurements	(519,900)	936,800
Benefits paid	(227,400)	(242,500)
	<u>6,757,500</u>	<u>6,773,100</u>

**Guyana Power and Light, Inc.**  
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	<b>2022</b>	<b>2021</b>
	<b>GS'000</b>	<b>GS'000</b>
<b>20. DEFINED BENEFIT LIABILITY (CONT'D)</b>		
<b>(e) Liability profile</b>		
The defined benefit obligation was allocated between the Scheme's members as follows:		
Active members	85%	
Pensioners	15%	
The weighted average duration of the defined benefit obligation at the year-end was 19 years		
66% of the benefits for active members were vested.		
39% of the defined benefit obligation for active members were conditional on future salary increases.		
<b>(f) Movement in fair value of plan assets</b>		
Fair value of plan assets at start of year	5,490,600	4,722,700
Interest income	275,200	235,900
Return on plan assets, excluding interest income	1,491,000	541,800
Company contributions	148,200	135,600
Members' Contributions	105,800	97,100
Benefits paid	(227,400)	(242,500)
	<u>7,283,400</u>	<u>5,490,600</u>
<b>Asset allocation</b>		
Local equities	4,232,800	2,574,200
Local bonds	236,900	263,900
Overseas equities and bonds	380,100	390,400
Money market instruments	2,230,700	2,048,200
Cash and net current assets	202,900	213,900
	<u>7,283,400</u>	<u>5,490,600</u>
<b>(g) Items for inclusion in the statement of comprehensive income:</b>		
Current service cost	292,900	250,300
Net interest on net defined benefit obligation	57,800	31,300
	<u>350,700</u>	<u>281,600</u>
<b>(h) re-measurement recognised in other comprehensive income:</b>		
Experience (gain) / loss	(2,010,900)	395,000

**Guyana Power and Light, Inc.**  
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20. DEFINED BENEFIT PENSION SCHEME (CONT'D)	2022 G\$'000	2021 G\$'000
<b>(i) Summary of main assumptions - defined benefit obligation as at 31 December 2022</b>		
Discount Rate	5	5
Salary increases	8	8
Proportion of retirees opting for pension rather than joint balance	90	90
Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December 2022 are as follows:		
Life expectancy at age 60 for current pensioner in years		
Male	21.9	18.0
Female	26.1	22.5
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	18.7
Female	27.1	23.4

**(j) Sensitivity analysis - defined benefit obligation as at 31 December 2022**

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 31 December 2022 would have changed as a result of a change in the assumptions used.

	<b>1% pa higher</b>	<b>1% pa lower</b>
Discount rate	1,470,000	1,482,700
Future salary increases	(475,900)	(496,100)
Future pension increases	n/a	n/a
	<b>10% higher</b>	<b>10% lower</b>
Proportion of retirees opting for pension rather than joint balance	(304,900)	(297,500)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2022 by \$149M.

**Guyana Power and Light, Inc.**  
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	<b>2022</b>	<b>2021</b>
<b>21. DEFERRED INCOME</b>	<b>G\$'000</b>	<b>G\$'000</b>
Deferred income	34,510	33,236
<p>This represents prepaid services sold at the end of the year but not consumed. The Company's policy is to account for 10% of prepaid sales in any given month as deferred income. Additionally the Company has deferred income of advance customer deposits.</p>		
<b>22 PAYABLES</b>		
Trade creditors	6,714,104	2,034,167
Employment costs	168,758	290,421
Other accruals	10,853,227	9,684,907
	<u>17,736,089</u>	<u>12,009,495</u>
<b>23. GENERATION COSTS</b>		
Fuel	34,508,774	23,238,733
Fuel agency fee	73,124	57,998
Operations and maintenance contract	2,953,627	2,781,811
Purchased power	1,598,477	2,420,846
Repairs and maintenance - generation facilities	483,908	806,807
Rental of equipment - generation	35,278	222,572
	<u>39,653,188</u>	<u>29,528,767</u>
<b>24. EMPLOYMENT COSTS</b>		
Gross salaries	5,260,878	4,779,838
Social security costs	177,575	248,128
Pension costs	(1,808,400)	541,000
Superannuation	128,341	121,516
	<u>3,758,394</u>	<u>5,690,482</u>

**Guyana Power and Light, Inc.**  
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	<b>2022</b>	<b>2021</b>
	<b>GS'000</b>	<b>GS'000</b>
<b>25. DEPRECIATION</b>		
Buildings	73,686	70,400
Plant and machinery	1,503,750	1,474,510
Transmission and distribution networks	1,765,923	1,823,672
Motor vehicles	136,267	130,040
Furniture and equipment	87,279	80,017
	<u>3,566,905</u>	<u>3,578,639</u>
<b>26. ADMINISTRATIVE EXPENSES</b>		
Administrative Expenses	<u>2,551,214</u>	<u>2,269,115</u>
The following expenses were charged in the above amounts:		
Repairs and maintenance	197,890	178,239
- Motor vehicles & tools		
- Buildings & wharf	113,404	78,186
- Equipment	41,908	22,464
Audit Fees and other expenses	<u>9,740</u>	<u>7,000</u>
<b>27. TAXATION</b>		
Deferred tax - current year	(2,530,454)	(2,556,148)
prior year	-	3,264
Withholding tax	478	2,114
	<u>(2,529,976)</u>	<u>(2,550,770)</u>
Reconciliation of corporation tax expense and accounting loss:	<u>(13,213,744)</u>	<u>(9,143,669)</u>
Corporation tax - 25%	(3,303,436)	(2,285,917)
Property tax	-	3,264
Withholding tax	478	2,114
Expenses not deductible for tax purposes	256	269
Deferred tax not recognised	772,726	(270,500)
	<u>(2,529,976)</u>	<u>(2,550,770)</u>



**Guyana Power and Light, Inc.**  
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<b>28. LOSS PER SHARE</b>	<b>2022</b> <b>G\$'000</b>	<b>2021</b> <b>G\$'000</b>
<p>Loss per share is calculated by dividing the total comprehensive income by the weighted average number of common shares outstanding during the year.</p>		
Net loss after tax	(10,683,768) =====	(6,592,899) =====
Weighted average number of ordinary shares	127,193,912 =====	127,193,912 =====
Loss per share	(84) ==	(52) ==

**29. FOREGONE REVENUE**

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

**30. COMPENSATION TO KEY MANAGEMENT PERSONNEL**

The remuneration paid to 41 (2021-32) key management personnel during the year was as follows:

(a) Short-term employee benefits	641,298	559,578
(b) Post-employment benefits	11,855	10,496
	<u>653,153</u>	<u>570,074</u>

**31. CONTINGENCIES**

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

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**32. CONTINGENCIES**

(b) Operating Lease Commitment

Operating lease commitment are as follows:

Less than one year

2 to 5 years

**2022**  
**GS'000**

**2021**  
**GS'000**

2,130

1,760

97,210

90,464

99,340

92,224

**33 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

Categories of financial instruments

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

The Company classifies financial instruments as follows:

(i) Held to maturity assets

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

(ii) Loans and receivables

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

(iii) Financial liabilities at amortised cost

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

**Guyana Power and Light, Inc.**  
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**33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)**

**2022**

<b>Financial assets</b>	<b>Loans and receivables G\$'000</b>	<b>Financial liabilities G\$'000</b>	<b>Total G\$'000</b>
Receivables and prepayments	2,462,573	-	2,462,573
Deposits	411,952	-	411,952
Related parties	6,139,776	-	6,139,776
Investments	828,000	-	828,000
Cash resources	1,855,034	-	1,855,034
	<u>11,697,335</u>	<u>-</u>	<u>11,697,335</u>

**Financial liabilities**

Advances customer financed project	-	1,297,673	1,297,673
Provision for decommissioning	-	242,900	242,900
Customer deposits	-	4,269,262	4,269,262
Related parties	-	66,459,533	66,459,533
Deferred income	-	34,510	34,510
Payables and accruals	-	17,736,089	17,736,089
	<u>-</u>	<u>90,039,967</u>	<u>90,039,967</u>

**2021**

**Financial assets**

Receivables and prepayments	6,698,517	-	6,698,517
Deposits	372,171	-	372,171
Related parties	5,831,520	-	5,831,520
Investments	828,000	-	828,000
Cash resources	1,175,840	-	1,175,840
	<u>14,906,048</u>	<u>-</u>	<u>14,906,048</u>

**Financial liabilities**

Advance customer financed projects	-	1,772,751	1,772,751
Provision for decommissioning	-	242,900	242,900
Customer deposits	-	3,924,947	3,924,947
Related parties	-	56,746,356	56,746,356
Deferred income	-	33,236	33,236
Payables and accruals	-	12,009,495	12,009,495
	<u>-</u>	<u>74,729,685</u>	<u>74,729,685</u>

**Guyana Power and Light, Inc.**  
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**33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)**

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

The main financial risks affecting the Company are as follows:

(i) Credit risk

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

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

The carrying amount of financial assets recognised in the financial statements which is net of impairment loss, represents the Company's maximum exposure to credit risk. No collateral is held as security for balances receivable from third parties.

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

On statement of financial position

	<b>2022</b>	<b>2021</b>
	<b>GS'000</b>	<b>GS'000</b>
Receivables and prepayments	2,462,573	6,698,517
Deposits	411,952	372,171
Related parties	6,139,776	5,831,520
Investments	828,000	828,000
Cash resources	1,855,034	1,175,840
	<u>11,697,335</u>	<u>14,906,048</u>

Cash resources and deposits are held with reputable financial institutions, related parties balances and deposit on shares represent balances due from entities controlled by the Government of Guyana and receivables are stated net of provision.

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**33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)**

(ii) Liquidity risk

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

<b>2022</b>	<b>Within 1 Year G\$</b>	<b>2-5 Years G\$</b>	<b>Over 5 Years G\$</b>	<b>Total G\$</b>
	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>
<b>Assets</b>				
Receivables and prepayments	2,462,573	-	-	2,462,573
Deposits	411,952	-	-	411,952
Related parties	6,139,776	-	-	6,139,776
Investments	-	-	828,000	828,000
Cash resources	1,855,034	-	-	1,855,034
<b>Total assets</b>	<b>10,869,335</b>	<b>-</b>	<b>828,000</b>	<b>11,697,335</b>
<b>Liabilities</b>				
Advances customer financed project	539,526	-	758,147	1,297,673
Provision for decommissioning	-	-	242,900	242,900
Customer deposits	-	-	4,269,262	4,269,262
Related parties	28,626,943	12,790,209	25,042,381	66,459,533
Deferred income	34,510	-	-	34,510
Payables and accruals	17,736,089	-	-	17,736,089
Taxation	-	-	-	-
<b>Total liabilities</b>	<b>46,937,068</b>	<b>12,790,209</b>	<b>30,312,690</b>	<b>90,039,967</b>
<b>Net assets / (liabilities)</b>	<b>(36,067,733)</b>	<b>(12,790,209)</b>	<b>(29,484,690)</b>	<b>(78,342,632)</b>
<b>2021</b>				
<b>Assets</b>				
Receivables and prepayments	6,698,517	-	-	6,698,517
Deposits	372,171	-	-	372,171
Related parties	5,831,520	-	-	5,831,520
Investments	-	-	828,000	828,000
Cash resources	1,175,840	-	-	1,175,840
<b>Total assets</b>	<b>14,078,048</b>	<b>-</b>	<b>828,000</b>	<b>14,906,048</b>

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
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**33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)**  
(ii) Liquidity risk

2021	Within 1 Year	2-5 Years	Over 5 Years	Total
	G\$	G\$	G\$	
	G\$'000	G\$'000	G\$'000	G\$'000
<b>Liabilities</b>				
Advances customer financed project	541,166	-	1,231,585	1,772,751
Provision for decommissioning	-	-	242,900	242,900
Customer deposits	-	-	3,924,947	3,924,947
Related parties	17,612,499	12,790,209	26,343,648	56,746,356
Deferred income	33,236	-	-	33,236
Payables and accruals	12,009,495	-	-	12,009,495
<b>Total liabilities</b>	<b>30,196,396</b>	<b>12,790,209</b>	<b>31,743,080</b>	<b>74,729,685</b>
<b>Net assets / (liabilities)</b>	<b>(16,118,348)</b>	<b>(12,790,209)</b>	<b>(30,915,080)</b>	<b>(59,823,637)</b>

(iii) Interest rate risk

2022	Average Interest rate	Within 1 Year	Two to Five Years	Over 5 Years	Non-interest Bearing	Total
		G\$	G\$	G\$	G\$	
		G\$'000	G\$'000	G\$'000	G\$'000	G\$'000
<b>Assets</b>						
Receivables and prepayments		-	-	-	2,462,573	2,462,573
Deposits		411,952	-	-	-	411,952
Related parties		-	-	-	6,139,776	6,139,776
Investments	2	-	-	-	828,000	828,000
Cash resources		-	-	-	1,855,034	1,855,034
		411,952	-	-	11,285,383	11,697,335
<b>Liabilities</b>						
Advances customer financed project		-	-	-	1,297,673	1,297,673
Provision for decommissioning		-	-	-	242,900	242,900
Customer deposits	2.4	-	-	4,269,262	-	4,269,262
Related parties	3.25	28,626,943	12,790,209	25,042,381	-	66,459,533
Deferred income		-	-	-	34,510	34,510
Payables and accruals		-	-	-	17,736,089	17,736,089
Taxation		-	-	-	-	-
		28,626,943	12,790,209	29,311,643	19,311,172	90,039,967
<b>Interest sensitivity gap</b>		<b>(28,214,991)</b>	<b>(12,790,209)</b>	<b>(29,311,643)</b>	<b>(8,025,789)</b>	<b>(78,342,632)</b>

**Guyana Power and Light, Inc.**  
**Notes to the Financial Statements**  
**As at December 31, 2022**

**33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)**

(iii) Interest rate risk

2021	Average Interest rate	Within 1 Year G\$	Two to Five Years G\$	Over 5 Years G\$	Non-interest Bearing G\$	Total G\$
		G\$'000	G\$'000	G\$'000	G\$'000	G\$'000
<b>Assets</b>						
Receivables and prepayments		-	-	-	6,698,517	6,698,517
Deposits		372,171	-	-	-	372,171
Related parties		-	-	-	5,831,520	5,831,520
Investments	2	-	-	-	828,000	828,000
Cash resources		-	-	-	1,175,840	1,175,840
		372,171	-	-	14,533,877	14,906,048
<b>Liabilities</b>						
Advances customer financed project		-	-	-	1,772,751	1,772,751
Provision for decommissioning					242,900	242,900
Customer deposits	2.4	-	-	3,924,947	-	3,924,947
Related parties	3.25	17,612,499	12,790,209	26,343,648	-	56,746,356
Deferred income		-	-	-	33,236	33,236
Payables		-	-	-	12,009,495	12,009,495
		17,612,499	12,790,209	30,268,595	14,058,382	74,729,685
<b>Interest sensitivity gap</b>		(17,240,328)	(12,790,209)	(30,268,595)	475,495	(59,823,637)

(iii) Foreign exchange risk

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

The following table details the sensitivity to an increase or decrease in the Guyana dollars against the United States dollars. This shows a decrease of profit amounting to G\$493,578 (2021- G\$486,671), if the Guyana dollar weakened against the United States dollars by 1%.

	Financial Assets G\$	Financial Liabilities G\$	Net Liability G\$	% Change G\$	Impact on Profit G\$
<b>2022</b>					
G\$ equivalent to US dollars	315,234	49,673,034	(49,357,800)	1	(493,578)
<b>2021</b>					
G\$ equivalent to US dollars	358,724	49,025,779	(48,667,055)	1	(486,671)