



ANNUAL REPORT 2022

Protected Area Trust
Co-financing Guyana's Protected Areas

Acronyms and Abbreviations

BoT - Board of Trustees

CBF - Caribbean Biodiversity Fund

CI - Conservation International

GCF - Global Conservation Fund Government of Guyana

GoG – Government of the Cooperative Republic of Guyana

KAPA – Kanashen Amerindian Protected Area

KfW - Kreditanstalt für Wiederaufbau (German Development Bank)

KMPA - Kanuku Mountains Protected Area

KNP - Kaieteur National Park

NPAS - National Protected Areas System

NTC - National Toshias' Council

PA - Protected Area

PA Act - Protected Areas Act of 2011

PAC - Protected Areas Commission Protected Areas Trust

PATF - Protected Areas Trust Fund

PSC - Private Sector Commission

RedLAC - Latin American and Caribbean Network of Environmental Funds

SBPA - Shell Beach Protected Area

UBS - Union Bank of Switzerland (USA)

Contents

About Us

Vision Statement	04
Mission Statement	04
Core Values	04
Protected Areas Trust	05
Protected Areas Trust Fund	05
National Protected Areas System (NPAS)	05
Message from the Chairman of the Board of Trustees	07
Board of Trustees	08
Investment	09
Grants	10
Resource Mobilisation	12
Other Achievements	13
Maintenance of Jenman Building	13
Partnerships	14
Transparency and Accountability	16
Audit	16
Annual Report	16
Filing of Annual Information Return with IRS In The USA	16
Strengthening Education and Public Awareness	17
Capacity Strengthening and Training	18
Protected Areas Trust Network/Partners	19



ABOUT US

VISION STATEMENT

Co-financing a world class National Protected Areas System in Guyana that protects nature and improves lives.

MISSION STATEMENT

To mobilize and allocate finances for the management of the National Protected Areas System in Guyana.

CORE VALUES

Transparency

Visibility and openness in all transactions, thus, to ensure that all information on procurement procedures, opportunities and processes are clearly defined and made widely known and available.

Accountability

Obligation to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property.

Agility

Ability to change quickly and efficiently to adapt to the changing conditions.

Reliability

Ability to consistently perform its intended or required functions (in the case of the PATF to provide funding for the NPAS), on demand and without degradation or failure (in the long-term).

Environmental and social responsibility

Investments do not cause negative or unwanted environmental and/or social impacts.

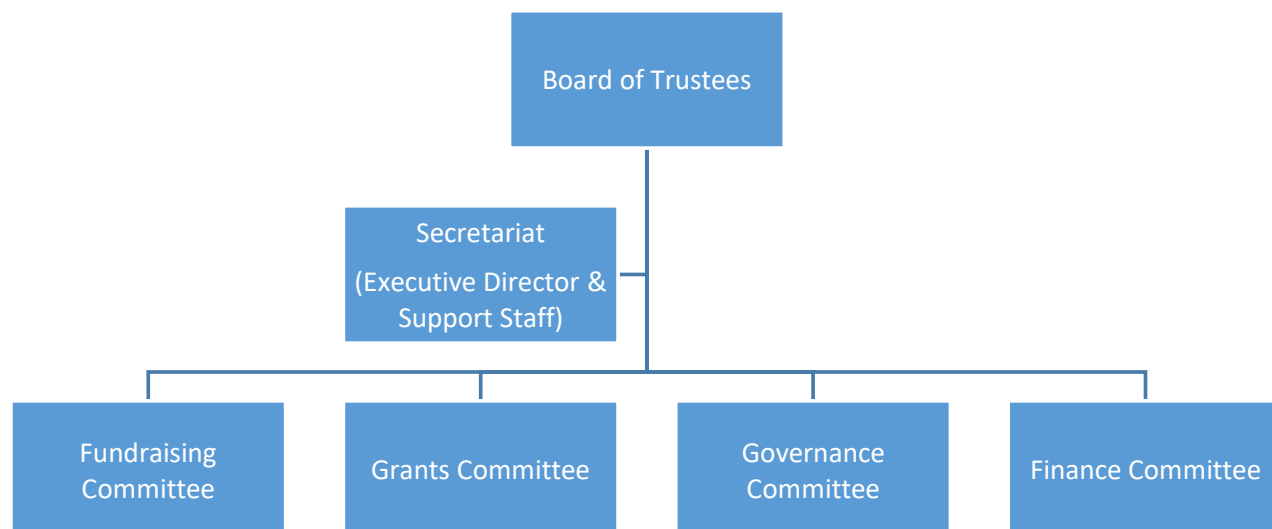
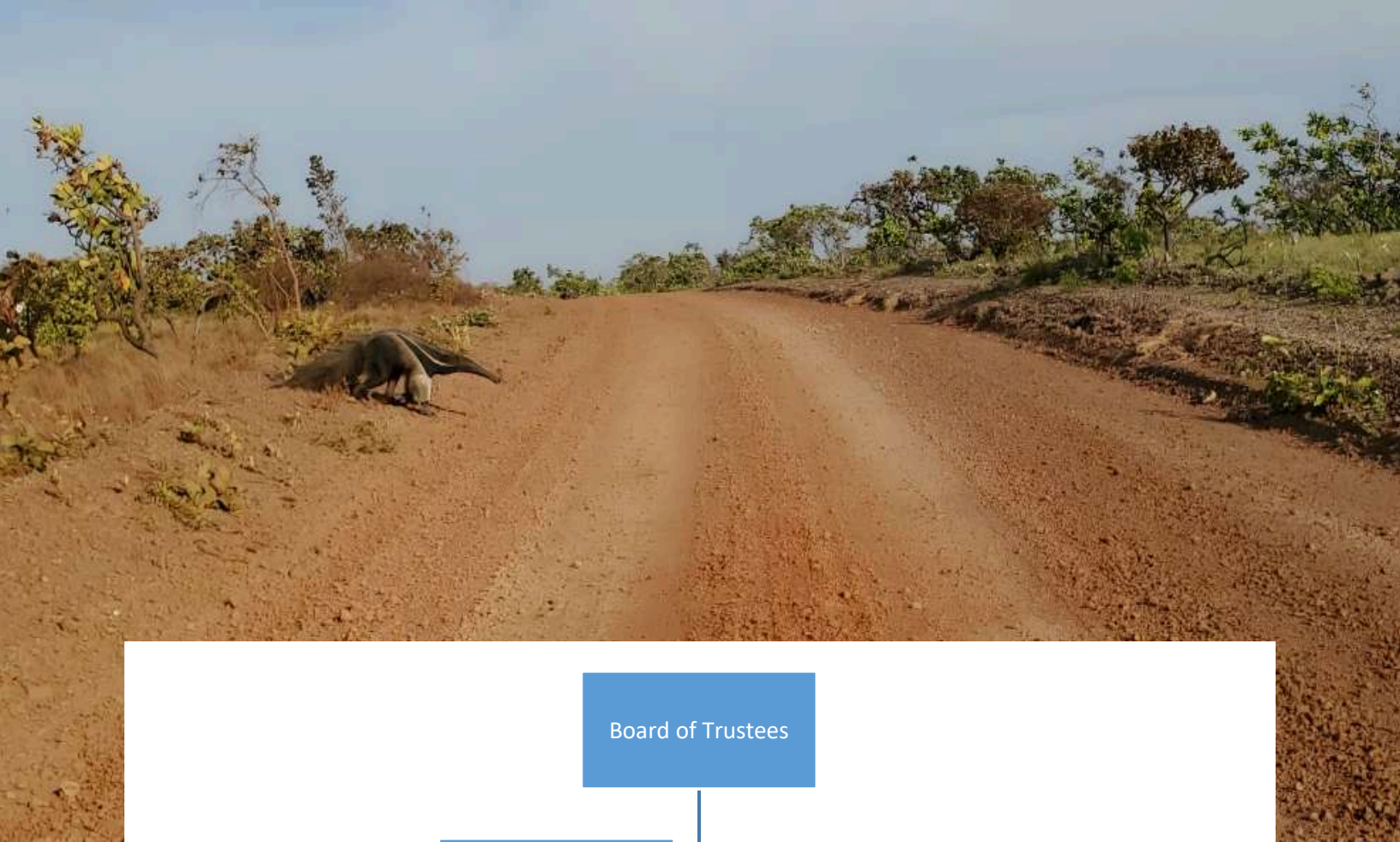
Fairness

Ability to make judgments free from discrimination or dishonesty.

PROTECTED AREAS TRUST

The Protected Areas Act, 2011 (PA Act, 2011), established the Protected Areas Trust (PAT) as a body corporate (Part VIII, Section 88), and a Trust Fund to provide financing for a National Protected Areas System (NPAS) [Part IX, Section 101 (1)].

The PAT is independently governed and administered by a Board of Trustees (BoT) while the day-to-day operations are managed by the PAT Secretariat headed by an Executive Director as shown in the organogram below:



PROTECTED AREAS TRUST FUND

The Protected Areas Trust Fund (PATF) functions primarily as an endowment fund to preserve the capital, while the funds are invested globally to earn target returns of 5% per annum. The PATF was originally endowed with US\$8.5M – US\$5M from the German Development Bank (KfW) and US\$3.5M from Conservation International (CI) through the Global Conservation Fund (GCF). These funds are currently invested through a Fund Administrator, Union Bank of Switzerland (UBS) Financial Services (USA), in various international markets and was valued at USD\$8,989,459 on December 31, 2022.

NATIONAL PROTECTED AREAS SYSTEM (NPAS)

The PA Act, 2011 provides the framework for the establishment and management of the National Protected Areas System (NPAS). The NPAS currently

consists of the Kaieteur National Park (KNP), Iwokrama Programme Site, Shell Beach Protected Area (SBPA), Kanuku Mountains Protected Area (KMPA) and Kanashen Amerindian Protected Area (KAPA). KAPA is the only indigenous-owned territory in the NPAS, it was gazetted as an Amerindian Protected Area on August 18, 2017. Additionally, the urban parks – the National Park, Botanical Gardens, Zoological Park, and Joe Vieira Park – are also part of the NPAS. The Iwokrama Programme Site and urban parks are not beneficiaries of the PATF.

The PA Act, 2011 established the Protected Areas Commission (PAC) to manage, maintain, promote, and expand the NPAS (Part II, Section 8 (a)). Funding from the PAT provides for implementation and monitoring of management plans, park rangers, equipment and maintenance, enforcement, scientific research, and community outreach.

Message from the Chairman of the Board of Trustees



Curtis Bernard
Chairman, Board of Trustees

This past year, 2022, was one of rebuilding and recovery for the Protected Areas Trust (PAT), like most of the rest of the world, following the devastating impacts of the COVID-19 pandemic. The management of the PAT was bolstered by the hiring of a new Executive Director, further streamlining of the operation of the Secretariat, and formal establishment of a partnership with the Caribbean Biodiversity Fund (CBF). However, the Trust Fund lost significant value owing to the global financial circumstances, closing the year at USD\$8,989,459.

Ms. Oleta Williams was welcomed as PAT's third Executive Director on April 1, 2022 and has done well to aid the rebuilding and recovery efforts. The Board of Trustees is grateful for her leadership in refining the

operation of the secretariat considering the impact of the pandemic, and in delivering other significant advancements in aid of our mission.

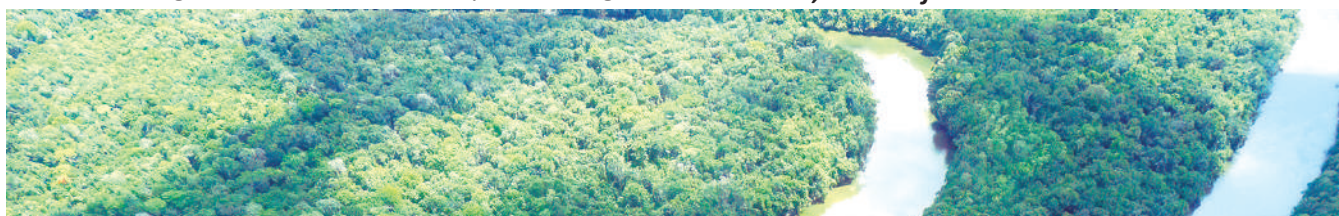
Our new partnership with the CBF further expands the resources available to deliver on our mandate. Over the 5-year period of this first Partnership Agreement we anticipate being able to access an additional US\$1 million to be deployed directly to aid our mission.

A total of just over of GYD 26 million Guyana Dollars was granted for protected area management over the year. We made great strides in strengthening the relationship with the Protected Areas Commission (PAC) and look forward to this continuing to grow, especially as efforts are underway to expand biodiversity protection nationally.

The launch of the LCDS 2030 and its provisions regarding protected areas require that the PAT significantly expands its resources to adequately meet its mandate into the future. We must therefore enhance our resource mobilization efforts both to grow our endowment and increase the amount and reach of funds granted in support of our mission.

I am thankful for the dedication of my colleague trustees. During 2022, we were joined by Toshao Timothy Andrews, nominated by the National Tshaos Council (NTC), and Trustee Melanie McTurk was renominated by the Private Sector Commission to serve for another term on the Board. On the behalf of the Board of Trustees I thank Mr. Russian Dorrick, the previous NTC nominated trustee, for his service to the PAT. I also extend, on my behalf and that of the Board of Trustees, sincere gratitude to the staff of the PAT Secretariat, and to everyone who supported our efforts during the year.

Curtis Bernard
Chairman, Board of Trustees



Board of Trustees

The principal responsibilities of the Board of Trustees (BoT) are to manage the Trust, oversee the management and investment of the Trust Fund, and review and approve requests for funding for the National Protected Areas System.

The Board of Trustees met four (4) times for the year. Additionally, members of the Board met thrice with the Fund Administrator (UBS), and four (4) times with the Caribbean Biodiversity Fund including two (2) of its Board Meetings.

Toshao Timothy Andrews was nominated as a Trustee by the National Toshao Council (NTC) and will serve the term until August 25, 2024. He replaced Mr. Russian Dorrick as trustee. Trustee Melanie McTurk was nominated by the Private Sector Commission to serve a second term as trustee.

At the close of the fiscal year 2022, the Board of Trustees comprised the following members nominated by various bodies:



Curtis Bernard
Designation: Chairman
October 18, 2018 -
October 17, 2023
Nomination: Major Donors



Shyam Nokta
Designation: Vice Chairman
June 23, 2021- June 22, 2024
Nomination:
Government of Guyana



Melanie McTurk
Designation: Trustee
Dec. 4, 2020 - Dec. 3, 2022
Nomination: Private Sector
Commission



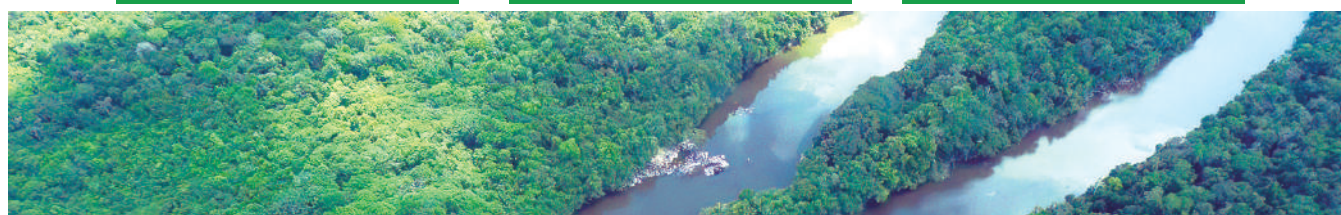
Sydney Armstrong
Designation: Trustee
July 28, 2021- July 27, 2024
Nomination:
University of Guyana



Timothy Andrews
Designation: Trustee
August 26, 2022- August 25, 2024
Nomination:
National Toshao Council



Abena Moore
Designation: Trustee
June 23, 2021- June 22, 2024
Nomination:
Government of Guyana

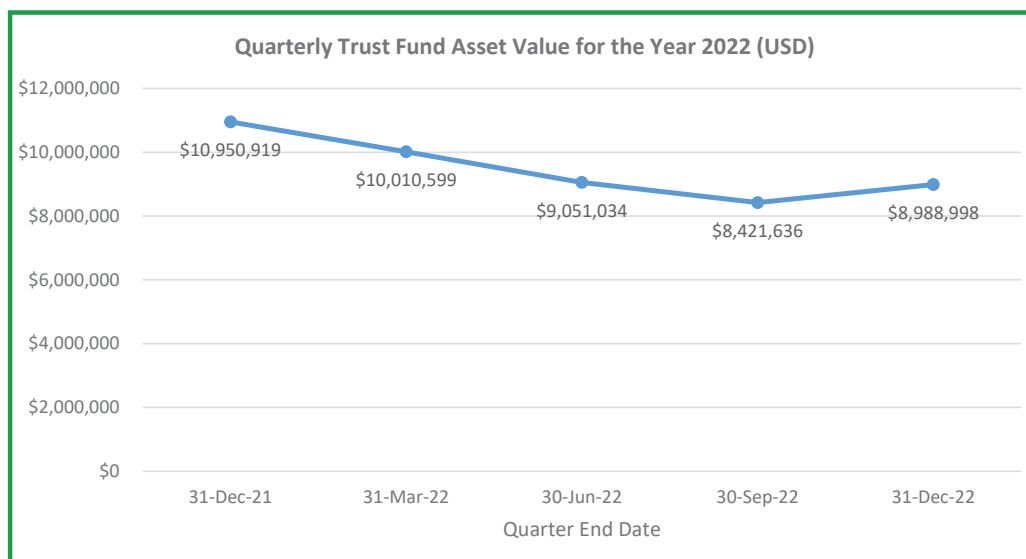


Investment

The year 2022 saw steep declines of markets globally, especially in the first three quarters of the year. This can be attributed to rising interest rates in response to inflation, rising fuel prices and the spin off impact of the War in Ukraine and continued impact of the Covid-19 pandemic.

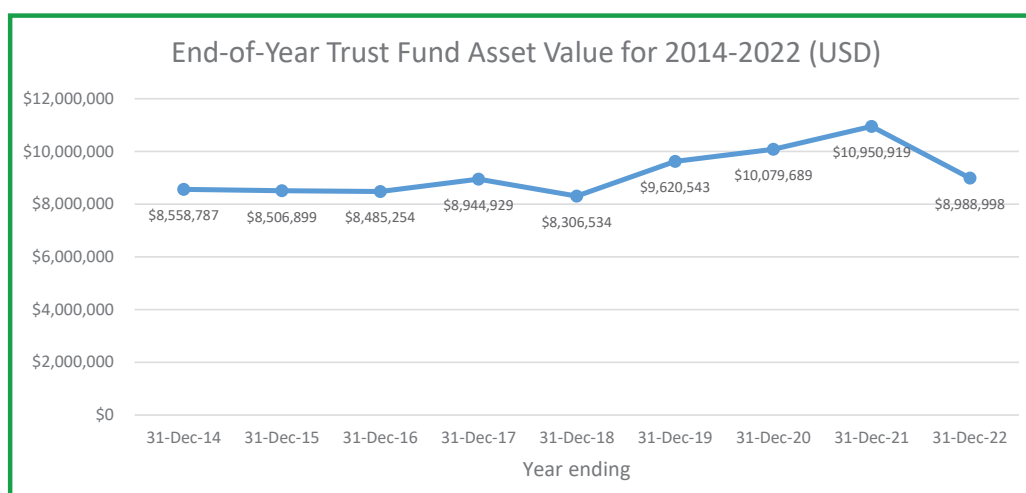
Trust Fund assets lost value to the tune of \$1,612,741 over the year; ending the year with a total value of USD\$8,989,459, compared to US\$10,951,011.15 at the end of 2021.

The net annualized rate of return of investments for 2022 was an unprecedented -14.97% as compared to 7.13% in 2020 and 8.61% for 2021.



The service of Union Bank of Switzerland (UBS) Financial Services USA was maintained as Fund Administrator for the year 2022. Regular engagements were held with UBS to monitor the progress of the Fund's portfolio and investment landscape with special interest paid in the various investment strategies being used by the Administrator to safeguard the Trust's interest and return objectives.

A total of USD\$343,916.00 was withdrawn from the Trust Fund between January 1, 2022, and December 31, 2022, to support the operations and grant management activities of the Trust, in keeping with the Trust's spending policy.

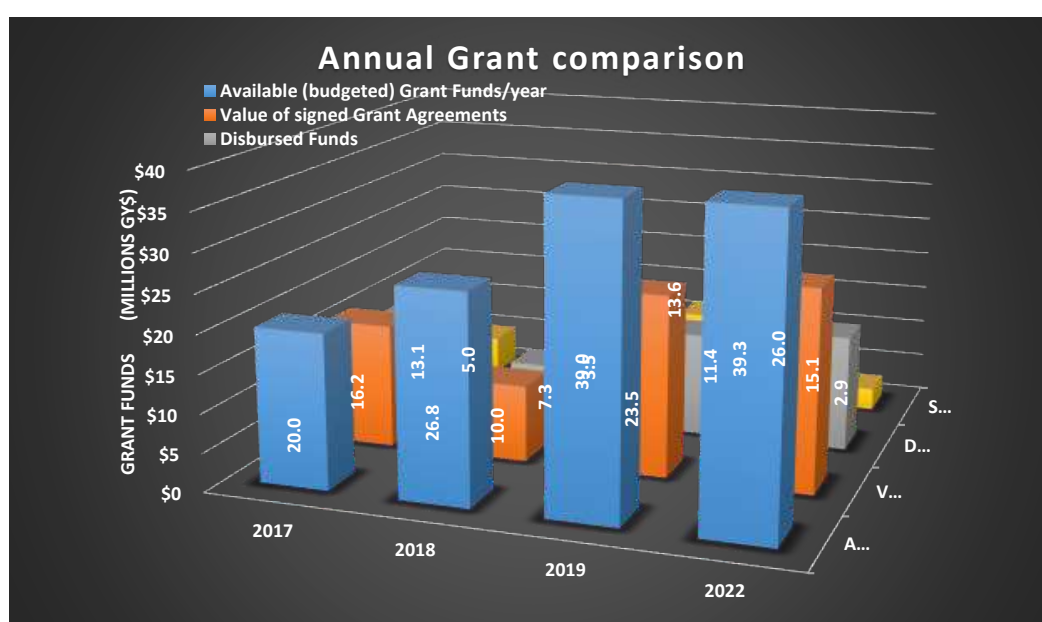


Grants

Since PAT commenced granting in 2017, it has granted a total of G\$103,871,057 through eight grants to co-finance management of Guyana's protected areas.

The Protected Areas Commission and Kanashen Village Council continue to be the only grantees of PAT, with three (3) protected areas benefiting primarily – Shell Beach Protected Area (SBPA), Kanuku Mountain Protected Area (KMPA) and Kanashen Amerindian Protected Area (KAPA).

In 2022, the total of G\$39,395,641 was allocated for Grants. During the year two (2) new grants, totaling \$26,020,000, were issued with the focus continuing to be on activities in the SBPA, KMPA and KAPA. Three (3) grants were closed during the reporting period. The Status of the grants implemented during 2017 to 2022 is illustrated below and further details of the grants active in 2022 are available in Appendix 1:



Grant ID: 001-2022

Title: The effective management of the Kanashen Amerindian Protected Areas Management Plan

Value: G\$4,320,000

Targetted PA: KAPA

Main Activity: Conduct regular monitoring patrols within the KAPA and pay salaries to the KAPA Manager and rangers for the entire year.

Grant ID: 002-2022

Title: Strengthening the National Protected Areas Planning and Adaptive Management

Value: G\$21,700,000

Targetted PA: KAPA, SBPA, KNP

Main Activities:

- To review and update the management plans for Kanuku, Shell Beach and Kaieteur.
- Development of a new 5 year Strategic Plan for the Protected Area Commission
- Finalise Systems Plan for the NPAS which was drafted in 2019



Representatives from the CBF, PAT and PAC during the signing of the Partnership Agreement

Resource Mobilisation

In May 2022, PAT concluded negotiations with the Caribbean Biodiversity Fund and signed a Partnership Agreement with the Fund. The new Partnership will see the Trust accessing some USD one million over the next five (5) years to co-finance Guyana's National Protected Areas System. As part of the Agreement, PAT now has the right to seat as Director on the CBF's Board of Directors after PAT's Chairman, Curtis Bernard was appointed to this seat on September 20, 2023. During this period, PAT also held a number of discussions

with various private sector actors as part of continuously mobilizing resources for the Trust.

Additionally, PAT continued to advocate the Government of Guyana to honour its pledged contribution of ten million USD to the Trust Fund made at the launch of PAT in September 2014. The GoG recommitted to the pledge of the US\$10M as was its initial contribution to the Trust Fund and indicated that it will be honored commencing in 2022.



Chair of Guyana Protected Areas Trust Board of Trustees Mr. Curtis Bernard with other CBF Board Members during a Board meeting in September 2022.

Other Achievements

MAINTENANCE OF JENMAN BUILDING

PAT's office continued to be accommodated at the heritage building, Jenman House. During the year emphasis was placed on the maintenance and upkeep of the building and improving the working conditions for staff with substantial work done on the beautification of the building, repair of the historic clock and installation of office spaces and cubicles for staff.



Newly installed cubicles for staff



Repair of Decorative rails and gutter



PARTNERSHIPS

PAT hosted a team from the Caribbean Biodiversity Fund's during a 3-three day visit to Guyana which culminated with the signing of a partnership agreement. During the visit, PAT facilitated bilateral meetings with the CARICOM Secretariat and the Environmental Protection Agency (EPA). The CBF visit also afforded PAT the opportunity to connect with National conservation trust funds in the Caribbean and Island Innovation, which is an agency representing a global network helping to advance innovation and drive sustainable change across island communities worldwide.

PAT also maintained its membership to the Latin American and Caribbean Network of Environmental Funds (RedLAC) which was secured in 2016. The Executive Director and one (1) Trustee also participated at the 24th Congress of RedLAC in Quito Ecuador where the ED was nominated to serve on the Board of Directors for the biennium 2024-2026.



PAT and CBF Representative during Guyana Mission



PAT Representatives during REDLAC Congress in October 2022

Transparency and Accountability

Transparency and accountability are core guiding principles of the PAT and are critical elements in ensuring that PAT's investments and activities conform to the provisions of the PA Act 2011, and international standards and best practices. During 2022, several measures were taken to ensure full compliance and transparency of PAT's activities, these are outlined below:

AUDIT

Each year since its existence PAT's books of accounts and financial statements have been audited by independent external auditors in accordance with the PA Act, 2011, Section 108. These audits have all found that the PAT's financial statements presented fairly in all material respects, and the financial performance and cash flows of the Trust Fund were in accordance with International Financial Reporting Standards.

PAT's demonstration of accountability for fiscal year

2022 is presented herein with the independent auditor's report and explanatory notes issued by Maurice Solomon & Co.

ANNUAL REPORT

PAT's annual reporting process is updated and the Annual Report for the period 2020-2021 was completed and submitted to donors, major stakeholders and RedLAC.

FILING OF ANNUAL INFORMATION RETURN WITH IRS IN THE USA

In keeping with PAT's tax-exempt charity status under Internal Revenue Code (IRC) Section 501 (c) (3) and requirements of the IRS, PAT filed its annual information return (Form 990) as at December 31, 2021 with the IRS.

Strengthening Education and Public Awareness



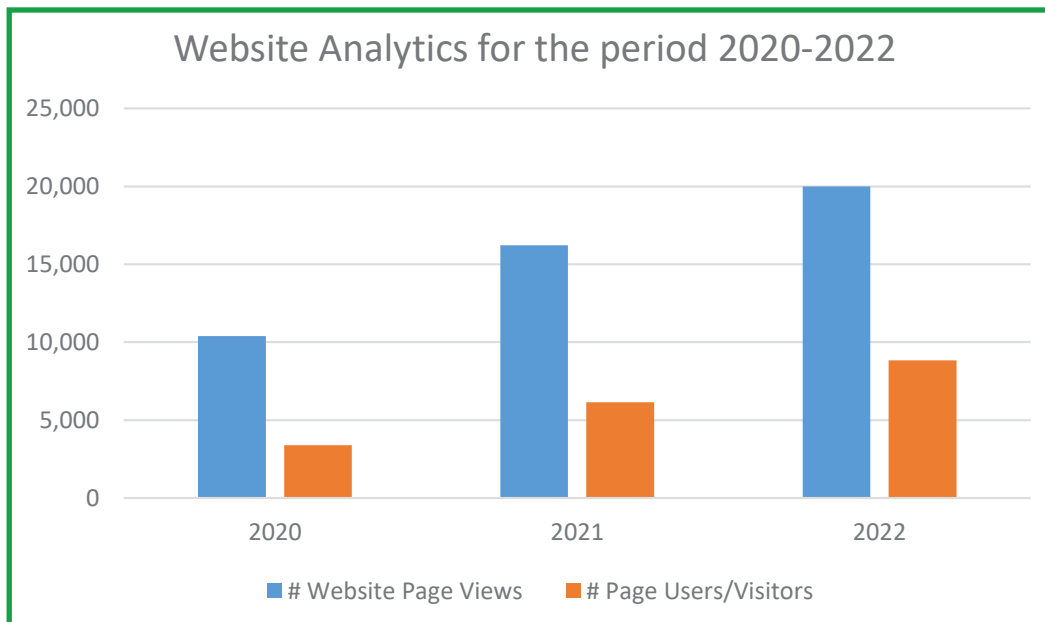
CBF and Guyana's Protected Areas Trust (PAT) sign Partnership Agreement

Georgetown, Guyana (May 3, 2022) – The Caribbean Biodiversity Fund (CBF) and Guyana Protected Areas Trust (PAT) on May 3, 2022, signed a Partnership Agreement. This Agreement, the 10th such for the CBF, will provide the PAT with additional resources to fulfil its legislative mandate of co-financing Guyana's National Protected Areas System (NPAS), as articulated in the Protected Areas Act of 2011.

In 2022, PAT's public awareness and communications efforts were boosted with the updating of the communications website (<https://protectedareatrust.org.gy/>)

and co-publication of one article on the CBF Partnership Agreement in May 2022 in the local and regional news media.

More specifically, PAT's website continued to serve as a tool to showcase and disseminate information on the PAT and improve transparency of its operations. It also provides highlights of PAT's current operations and partners, including donors, and is a stage for attracting new financial resources to the Trust. In 2022, engagement on the website significantly increased, both in terms of page views and visitors.



PAT's 2022 website analytics

CAPACITY STRENGTHENING AND TRAINING

During 2022, staff benefitted from refresher training on:

- QuickBooks Management with a specific focus on

grant management

- Network Management using Synology and
- Office Administration with emphasis on minute writing.



Staff during training on QuickBooks

The staff and Trustees also benefitted from participation in the following capacity building opportunities:

Event	Location	Date	Attendees
24 th Congress of the Latin American and Caribbean Network of Environmental Funds (REDLAC)	Quito Ecuador	October 24-27 2022	Trustee Melanie McTurk ED Williams
Virtual Island Summit by Island Innovation	Virtual	September 6- October 2, 2022	ED Williams

Protected Areas Trust Network/ Partners

VOLUNTEER CONTRIBUTIONS TO THE PROTECTED AREAS TRUST

In-kind support was provided to the PAT from the following institutions and individuals during 2020 and 2021:

- Protected Areas Commission and National Parks Commission for the accommodation at Jenman House of PAT Secretariat.
- Lancelot France-Cummings, for provision of advice and technical support for use of Quickbooks

Enterprise accounting software to staff of PAT Secretariat.

- OutsourceRox for providing networking and IT support

Our deepest gratitude to you all.

Other individuals/Institutions willing to support Guyana's natural heritage and protected areas through voluntary contributions to the PAT are encouraged to do so.



Appendix 1: Status of Grants which were active in 2022

GRANT NO.	PROJECT NAME	Grantee	Protected Area	Grant Value (G\$)	Funds Disbursed (as at Dec. 31, 2022)	Funds Spent (as at Dec. 31, 2022)	Date of Commencement	Status of Grant
COMPLETED PROJECTS								
005-2018	Implementing the Kanashen Amerindian Protected Area's Management Plan	PAC & Kanashen Village Council	KAPA	\$15,921,738	\$15,921,738	\$13,420,836	1-Jan-19	Closed 17-Feb-22
006-2019	The Effective Management of Kanuku Mountains and Shell Beach Protected Areas	PAC	KAPA	\$7,580,101	\$4,614,724	\$3,532,691	29-Mar-19	Closed February 17 2022
007-2020	Implementing Year 3 of Kanashen Amerindian Protected Area's management plan	PAC & Kanashen Village Council	KAPA	\$20,613,900	\$20,613,900	\$19,123,166	Feb 15 2021	Closed Sep-22
008-2020	The effective management of Kanuku Mountains Protected Area, Shell Beach Protected Area, and the Protected Commission	PAC	KMPA SBPA	\$7,474.000	\$7,474.000	\$7,215.287	March 31, 2023	Final Reporting Ongoing

ONGOING PROJECTS								
001-2022	The effective management of Kanashen Amerindian Protected Area's management plan	PAC & Kanashen Village Council	KAPA	\$4,320,000	\$2,160,000	\$2,990,000	May 31, 2023	Active
002-2022	Strengthening of the National Protected Areas System (NPAS) Planning and Adaptive Management	PAC	KAPA, SBPA, KNP, KMPA	\$21,700,000	\$13,000,000	0	November 23, 2023	Active
Subtotal				\$26,020,000	\$15,160,000	\$2,990,000		

Independent Auditor's Report 2022

PROTECTED AREAS TRUST

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

TOGETHER WITH

REPORT OF THE AUDITORS

**MAURICE SOLOMON & CO.
CHARTERED ACCOUNTANTS**

PROTECTED AREAS TRUST

31 DECEMBER 2022

I N D E X

	PAGE(S)
REPORT OF THE AUDITORS	1/3
FINANCIAL STATEMENTS:	
Statement of Financial Position	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8/13



**REPORT OF THE AUDITORS
TO THE TRUSTEES OF
PROTECTED AREAS TRUST
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Protected Areas Trust which comprise the Statement of Financial Position as at 31 December, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 31 December, 2022 and a summary of significant accounting policies and other explanatory notes set out on pages 8 to 13.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) for Small and Medium- Sized Entities (SMEs) and the requirements for the Protected Areas Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Protected Areas Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board for Accountants' Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International Financial Reporting Standards (IFRSs) for Small and Medium – Sized Entities (SMEs), 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 Trust'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 Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 Trust'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 Trust'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 Trust 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.

The engagement partner for the audit of the Financial Statements for the year ended 31 December 2022 is Mr. Alvin Rambajan.

Maurice Solomon & Co.

Maurice Solomon & Co.

Chartered Accountants

April 24, 2023

PROTECTED AREAS TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 GS	2021 GS
NON-CURRENT ASSETS			
Office Furniture & Equipment	7	1,833,540	-
CURRENT ASSETS			
UBS Investments	8	1,914,657,910	2,332,482,298
Cash and Bank	9	140,995,680	93,619,627
TOTAL ASSETS		<u>2,057,487,130</u>	<u>2,426,101,925</u>
EQUITY AND LIABILITIES			
Accumulated Surplus		2,046,231,522	2,408,994,347
CURRENT LIABILITIES			
Payables and Accruals	10	11,255,608	17,107,578
TOTAL EQUITY AND LIABILITIES		<u>2,057,487,130</u>	<u>2,426,101,925</u>

These financial statements were approved by the Trustees on April 20, 2023

.....
Trustee

.....
Trustee

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 G\$	2021 G\$
INCOME			
Contributions	4	20,662,430	-
Interest Income		2,752,987	2,278,375
Investment Income	5	48,261,174	47,668,771
Increase in Investment Value	8	-	153,904,341
Other Income	6 (iii)	3,991,636	2,016,585
TOTAL INCOME		<u>75,668,227</u>	<u>205,868,072</u>
EXPENSES			
Decrease in Investment Value	8	378,854,124	-
Investment Management Expenses	6 (i)	14,192,684	15,865,260
Administrative Expenses	6 (ii)	6,990,285	1,632,003
Grant Expense	6 (iii)	26,020,000	-
Employment Expenses	6 (iv)	12,300,454	3,957,076
Finance Cost	6 (v)	73,505	84,560
TOTAL EXPENSES		<u>438,431,052</u>	<u>21,538,899</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u>(362,762,825)</u>	<u>184,329,173</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	ACCUMULATED SURPLUS GS	TOTAL GS
YEAR ENDED 31 DECEMBER 2022		
As at the Beginning of the year	2,408,994,347	2,408,994,347
Deficit for the year	(362,762,825)	(362,762,825)
Balance as at end of the year	<u><u>2,046,231,522</u></u>	<u><u>2,046,231,522</u></u>
YEAR ENDED 31 DECEMBER 2021		
As at the Beginning of the year	2,224,665,175	2,039,630,756
Surplus for the year	184,329,173	184,329,173
Balance as at end of the year	<u><u>2,408,994,347</u></u>	<u><u>2,408,994,347</u></u>

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	G\$	G\$
OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	(362,762,825)	184,329,173
<i>Adjusted for:</i>		
Depreciation	458,385	113,479
Interest Income	(2,752,987)	(2,278,375)
Cash flow from operating activities before working capital changes	(365,057,427)	182,164,277
(Increase)/Decrease in UBS Investment	417,824,388	(185,565,070)
Increase / (Decrease) in Accruals	(5,851,970)	(3,185,474)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	46,914,991	(6,586,267)
Investing activities		
Purchase of fixed assets	(2,291,925)	-
Interest received	2,752,987	2,278,375
NET CASH INFLOW FROM INVESTING ACTIVITIES	461,062	2,278,375
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	47,376,053	(4,307,892)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	93,619,627	97,927,518
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	140,995,680	93,619,627
CASH EQUIVALENTS COMPRISE OF:-		
Cash at Bank	140,990,455	93,619,218
Cash in Hand	5,225	409
	140,995,680	93,619,627

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. INCORPORATION AND ACTIVITIES

The Protected Areas Trust (PAT), established by the Protected Areas (PA) Act in 2011, is managed as a corporate body by an Eight member Board of Trustees (Five members in 2020) with a non-governmental majority. The PAT was institutionalised with the appointment of the first Board of Trustees effective July 7, 2014, as recorded in the Official Gazette (on July 19, 2014).

The Protected Areas Trust Fund (PATF), also established by the PA Act, functions primarily as an endowment fund to preserve the capital while investing globally to earn annual returns of approximately 5%. PATF was originally endowed with a total of US\$ 8.5 million (US\$5M from KfW and US\$3.5M from CI through the Global Conservation Fund). These funds are invested through PATF's Fund Administrator, UBS Financial Services (USA) in various international markets.

Funds from the PATF are used to provide co-financing for the National Protected Areas System (NPAS) in Guyana and to support projects that contributes to or promote the conservation and preservation of the biological diversity and maintenance of the ecosystem services of the Protected Areas. NPAS consist of Kaieteur National Park, Iwokrama Programme Site, Shell Beach, Kanuku Mountains and Kanashen Amerindian Protected Areas; as well as the urban parks including the National Park, Botanical Garden, Zoological Park and Joe Veria Park. During the year PAT co-financed Shell Beach, Kanuku Mountains and Kanashen Amerindian Protected Areas.

2. NEW AND REVISED STANDARDS AND INTERPRETATIONS

New standards, interpretations and amendments to standards are not expected to have a significant impact on the Trust's accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention with compliance to IFRS- International Financial Reporting Standards for Small and Medium Sized Entities.

(b) Fixed Assets and Depreciation

Equipment and fixtures are stated at cost less accumulated depreciation and any recognized impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight line method as follows:

Computer & Equipment - 20%

Furniture & Fixtures - 20%

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES CONT'D

(c) Income and Expenditure

Income and expenditure are recognised in the financial statements on an accrual basis.

(d) Taxation

The Protected Areas Trust, by virtue of its charitable purpose, was deemed a charitable organization and benefits from the grant of tax exemption by the Government of Guyana.

(e) Financial Instruments

Financial assets and liabilities are recognized on the Trust's statement of financial position when the Trust becomes a party to the contractual provisions of the instruments.

(f) Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

(g) UBS Investments

This investment is a financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes recorded through profit or loss.

4. CONTRIBUTIONS

In May 2022, the Trust entered into a partnership agreement with the Caribbean Biodiversity Fund. The agreement allows the Trust to periodically receive disbursements from its earnings of the total allocation under the CBF's endowment facility which will be used by the Trust to achieve its objective.

5. INVESTMENT INCOME

UBS Investment (Dividend and Interest)

2022	2021
G\$	G\$
48,261,174	47,668,771

PROTECTED AREAS TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

	2022 G\$	2021 G\$			
6. EXPENSES					
(i) Investment Management Fee					
UBS Management Fee	14,192,684	15,865,260			
(ii) Administrative Expense					
Depreciation	458,385	113,479			
Meetings	157,620	-			
Training	150,000	-			
Office Supplies	683,667	68,791			
Website Expenses	44,000	-			
Forex Gain/Loss	599,344	-			
Accomodation	438,567	-			
Telephone & Internet	320,788	261,479			
Travel	1,028,945	35,300			
Printing & Reproduction	162,000	-			
Professional Services Fees	256,200	379,200			
Office Maintenance	1,576,913	-			
Insurance (Non-Employee)	8,581	8,581			
Withholding Tax	10,553	149			
Membership Dues	709,290	718,448			
Advertisement	122,070	43,776			
Other Operating Expenses	263,362	2,800			
	6,990,285	1,632,003			
(iii) Commitments					
In the year 2022, Protected Areas Trust committed \$26,020,000 for the effective management of Kanashen Amerindian Protected Areas (#001-2022) and the strenghtening of the National Protected Areas System (#002-2022).					
During the year, \$16,825,292 was disbursed for Grants #004-2018, #006-2019, #007-2020 and #008-2020 and \$3,991,636 was refunded to the Trust from the Protected Areas Commission as unused funds.					
Opening Grants	#004-2018	#006-2019	#007-2020	#008-2020	Total
Total Grant funds	6,498,000	7,580,101	20,613,900	7,474,000	42,166,001
Total Disbursed Previously	(3,738,000)	(4,614,724)	(11,539,400)	(3,432,000)	(23,324,124)
Total disbursed During the year	(2,143,613)	(1,565,179)	(9,074,500)	(4,042,000)	(16,825,292)
Undisbursed amounts	(616,387)	(1,400,198)	-	-	(2,016,585)
Funds to be disbursed	-	-	-	-	-
New Grants			#001-2022	#002-2022	Total
Total Grant funds			4,320,000	21,700,000	26,020,000
Total disbursed During the year			(2,160,000)	(13,000,000)	(15,160,000)
Funds to be disbursed			2,160,000	8,700,000	10,860,000
(iv) Employment Expense			2022	2021	
Employee Costs			12,300,454	3,957,076	
(v) Finance Costs					
Bank Charges			73,505	84,560	

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

	2022 G\$	2021 G\$
7. FIXED ASSETS		
Cost		
As at Beginning of the year	1,784,204	1,784,204
Additions	2,291,925	-
As at End of the Year	<u>4,076,129</u>	<u>1,784,204</u>
Accumulated Depreciation		
As at Beginning of the Year	1,784,204	1,670,725
Charge for the year	458,385	113,479
As at End of the Year	<u>2,242,589</u>	<u>1,784,204</u>
Net Book Value		
As at End of the Year	<u>1,833,540</u>	<u>-</u>
As at Beginning of the Year	<u>-</u>	<u>113,479</u>
8. UBS INVESTMENT		
Opening balance	2,332,482,298	2,146,917,229
Deposit/Credit to investment	-	723,697
Foreign exchange translation difference	-	-
Withdrawals	(73,254,108)	-
Management fees	(14,192,684)	(15,865,260)
Dividend and interest income	48,261,174	46,945,074
Accrued interest	215,354	(142,782)
Increase/(Decrease) in market value	(378,854,124)	153,904,341
Closing Balance	<u>1,914,657,910</u>	<u>2,332,482,298</u>

This relates to an investment portfolio managed by the UBS Financial Services Company. This consist of investments held on the international market. The portfolio contains a mixture of equities (50%), bonds (44.5%), Real Estate (5%) and cash (0.5%). This was transferred from the Conservation Trust Fund (CTF) to Protected Areas Trust, after the dissolution of the CTF on October 31, 2015. The value of this investment was determined based on the portfolio value reported by UBS Financial Services Statement. The use of these assets and their income are for the sole purpose of carrying out activities related to the management of Guyana Protected Areas Systems.

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

	2022 G\$	2021 G\$
9. CASH AND BANK		
Cash in Hand	5,225	409
Cash at Bank	140,990,455	93,619,218
	<u>140,995,680</u>	<u>93,619,627</u>
10. PAYABLES AND ACCRUALS		
Grant Payables	10,860,000	16,825,292
Accruals	395,608	282,286
	<u>11,255,608</u>	<u>17,107,578</u>

11. FINANCIAL RISK MANAGEMENT

The Trust's management monitors and manages the financial risks relating to their assets through daily reviews of the performance and change in value of these assets. These risks include market risks (foreign exchange risk and interest rate risk).

The Trust seeks to minimize the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk and interest rate risk which are approved by the Board of Trustees.

(a) Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(b) Foreign Currency Risk

Foreign currency risk is the form of risk that arises from an unfavourable change in price of one currency against another. Unless a position is hedged, foreign currency risk is present whenever organizations or investors hold assets across national borders. The Trust's exposure to the effects of fluctuations in foreign currency exchange rates arise from its investment portfolio and a US dollar bank account. The currency in which this investment is denominated is in the United States Dollars. No liabilities are held in foreign currencies. Total assets held in foreign currency total G\$1,933,778,223(US\$9,078,771).

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

11. FINANCIAL RISK MANAGEMENT CONT'D

(c) Foreign Currency Sensitivity Analysis

The following table details the Trust's sensitivity to an increase or decrease in the Guyana dollar against the US dollar at 1% in financial year end 2020 and 1% in financial year end 2021. Although a rate is not formally adopted and used, 1% gives prudent possibility of a change in rate.

The sensitivity analysis shows the impact on all assets and liabilities that are held in foreign currencies. A positive number below indicates an increase in surplus if the currency were to strengthen against the Guyana dollar. If the currency were to weaken against the Guyana dollar, there would be an equal and opposite impact on the surplus and the balances would be negative.

	2022	2021
	G\$	G\$
Effect	<u>19,146,579</u>	<u>23,324,823</u>

12 RELATED PARTY TRANSACTIONS

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

Listed below are transaction with related parties:

Key Management Personnel

(i) Compensation

The Trust's key management personnel comprises of its Executive Director. The remuneration paid to the company's key personnel are as follows :

	2022	2021
	G\$	G\$
Short term employee benefits	<u>6,922,800</u>	<u>3,957,076</u>

The Trust's office is located in Jenman House, Botanical Gardens, Georgetown which is owned by Protected Areas Commision. There are no rental charges or fees payable with regards to this.







PROTECTED AREAS TRUST (GUYANA)

Co-financing a world class National Protected Areas System in Guyana that protects nature and improves lives.

Ecosystem and biodiversity of the National Protected Areas System in Guyana

Of **Guyana's biodiversity**, at a minimum, the National Protected Areas System is estimated to contain



70%
MAMMALS



60%
BIRDS



43%
PLANT SPECIES

Globally

Kanuku Mountains Protected Areas alone is thought to have the **highest diversity of bats** of any protected area in the world.

Shell Beach Protected Areas is proposed as a globally important birding area supporting **more than 200 coastal and migratory bird species**.

It is thought that healthy populations of **at least 30% of globally threatened mammals** found in Guyana and approximately **90% of threatened reptiles** occur in our national protected areas.



Size of the protected areas = **8.4%** of Guyana's landmass

-  **Kaieteur National Park**
62,700 HA
-  **Shell Beach Protected Area**
123,055 HA
-  **Kanuku Mountains Protected Area**
611,000 HA
-  **Kanashen Amerindian Protected Area**
648,567 HA

MISSION: To mobilise and allocate resources for the National Protected Areas System in Guyana

LET'S WORK TOGETHER, CONTACT US!



Jenman House, Botanical Gardens, Georgetown, Guyana.



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