National Agency of Investement and Privatization

SPECIAL PURPOSE FINANCIAL STATEMENT

Project "Assistance to Privatization" and application of funds within the framework of the Project from January 01, 2015 to December 31, 2015

Statement of management responsibility

The Management of the State Institution "National Agency of Investment and Privatization" (hereafter "the Company") is responsible for preparation of Company's special purpose financial statements. The financial statements on pages 7 to 11 fairly present the uses of funds of the Project "Assistance to privatization", for the period from January 01, 2015 to December 31, 2015

The Management of the Company confirms that appropriate accounting policies have been used and applied consistently during the period. Reasonable and prudent judgment and estimates have been made in the preparation of the special purpose financial statements.

The Management of the Company is responsible for keeping proper accounting records, for taking reasonable steps for preventing and detecting fraud and other irregularities as well as developing, implementing and maintaining of effective and reliable internal control environment.

On behalf of the Management:

N. Nikandrova
Director

A.Kazakevich
Financial Specialist

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Grant Thornton

30.05.2016 № 57/16-3

На № _____ от _____

To the Management of the National Agency of Investment and Privatization

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We have audited the provided special purpose financial statements of the Project "Assistance to privatization", (hereinafter - the Project) financed by the International Bank for Reconstruction and Development (hereinafter - the IBRD) in accordance with Loan Agreement of December 21, 2010 between the Republic of the Belarus and IBRD (hereinafter – the Agreement) for the period from January 01, 2015 to December 31, 2015.

Special purpose financial statements of the Project comprise the following statements:

- Statement of Sources and Applications of Fund ;
- Statements of Funds Applications by Types of Project's Activities;
- Statements of Withdrawal;
- Statements of Designated Accounts;

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Statements of Management responsibility

The Management is responsible for the preparation of these special purpose financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) "Financial Statement on a cash basis" developed by Public Sector Committee of the International Federation of Accountants (IFAC), and for such internal control as the Management determines necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain reasonable audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the special purpose financial statement 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 entity's internal control. An audit also includes the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on Special purpose financial statements

In our opinion, the special purpose financial statements fairly present the financial position of the Project as of December 31, 2015 as well as uses of funds of Project for the period from January 01, 2015 to December 31, 2015 in accordance with the principles of IPSAS and IBRD.

External funds have been used in accordance with the requirements of the terms and conditions of the Agreement, financial arrangements with due attention to economy and efficiency, and only for the purposes for which the financing was provided.

Recording and storage of the necessary supporting documents, accounting data and accounts for all Project operations, including those relating to expenses presented in the Statements of Withdrawal, is carried out appropriately. There is accurate interrelation between accounting data and financial statements provided to the IBRD.

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Restriction on distribution and use

The present report is intended solely for the use by the State Institution "National Agency of Investment and Privatization" upon presentation to the IBRD on the received and used fund of the Project.

Valentina Silina
Director, Managing Partner
Grant Thornton LLC
May 30, 2016

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