

# **State Institution “National Agency of Investment and Privatization”**

Financial Statements of the Project “Assistance to Privatization”  
(Grant from the Austrian Trust Fund TF098603)  
on receipts and disbursements of funds for the period  
from 1 January 2019 to 16 October 2019

## Contents:

Statement of Management's Responsibility	3
Independent Auditor's Report	4
Statement of Sources and Use of Funds	7
Statement of Use of Funds by Types of Project's Activities	8
Statement of Withdrawal	10
Statement of Designated Account	11
Statement of Transit Account	12

## Statement of Management's Responsibility

The Management of State Institution "National Agency of Investment and Privatization" (hereinafter – the Company) is responsible for preparing the financial statements of the Project "Assistance to Privatization" (hereinafter – the financial statements of the Project). The financial statements on pages 7 to 12 represent fairly the information on uses of funds of the Project "Assistance to Privatization" for the period from 1 January 2019 through 16 October 2019.

The Management of the Company confirms that appropriate accounting policies have been used and applied consistently. Reasonable and prudent judgments and estimates have been made in the preparation of the financial statements of the Project.

The Management of the Company is responsible for keeping proper accounting records, for detecting and preventing fraud and errors, as well as for designing, implementing and maintaining effective and reliable internal controls.

Signed on behalf of the Management by:

Denis Meleshkin  
Deputy Director

  
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Alena Lemekh  
Leading Financial Specialist

  
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16.10.2019 No. 101/19-j  
Ref No \_\_\_\_\_ dated \_\_\_\_\_

To the Management of State Institution  
"National Agency of Investment and Privatization"

**Grant Thornton LLC**

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## Independent Auditor's Report

### Auditor's Opinion

We have audited the accompanying financial statements of the Project "Assistance to Privatization", Grant from the Austrian Trust Fund TF098603 (hereinafter – the Project) financed by International Bank for Reconstruction and Development ("IBRD") under the Agreement as of 21 December 2010 signed between the Republic of Belarus and IBRD and registered by the Ministry of Economy of the Republic of Belarus as of 28 April 2011, under the number 2/11/000466 ("the Agreement") for the period from 1 January 2019 to 16 October 2019.

The financial statements of the Project comprise the following statements:

- Statement of Sources and Use of Funds;
- Statement of Use of Funds by Types of Project's Activities;
- Statement of Withdrawal;
- Statement of Designated Account;
- Statement of Transit Account.

In our opinion, the financial statements present fairly receipts and disbursements of the Project funds as of 16 October 2019 as well as use of the Project funds for the period from 1 January 2019 to 16 October 2019 in compliance with IPSAS and IBRD principles.

The attracted funds have been used according to requirements of terms and provisions of the Agreement, financial arrangements, with due consideration to profitability and efficiency, and only for the purposes for which the financing has been provided.

Grant Thornton LLC

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Recording and storage of necessary supporting documents, accounting data and accounts on all the Project transactions, including those relating to the expenses presented in the Statement of Withdrawal, are adequately implemented. There is an interrelation between the accounting data and financial statements which IBRD provide.

### **Basis for Auditor's Opinion**

We have conducted our audit in compliance with the requirements of International Standards on Auditing (ISA) and the corresponding guidance from the World Bank. Our responsibility in compliance with these standards is described below in paragraph "Auditor's Responsibility for the Audit of the Financial Statements" of the present report. We are independent of State Institution "National Agency of Investment and Privatization" in compliance with the requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants, and we have complied with our other ethical duties in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Restriction on Distribution and Use**

These financial statements are prepared solely for the use by State Institution "National Agency of Investment and Privatization" for presenting information on the funds received and used upon the Project to IBRD. Consequently, these financial statements are not intended for other purposes. Our opinion has been prepared solely for IBRD and shall not be distributed or used by third parties.

### **Statement of Management's Responsibility**

The Management is responsible for the preparation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) "Financial Reporting Under the Cash Basis of Accounting" prepared by the Public Sector Committee of International Federation of Accountants (IFAC) and the internal control of the Company which the Management determines as necessary to enable the preparation of the financial statements that are free from material misstatement or errors. The financial statements on pages 7 – 12 have been presented in accordance with the terms of the Agreement.

### **Auditor's Responsibility**

Our goal is to obtain reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or errors, and to issue auditor's report including our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that the audit conducted under International Standards on Auditing always discloses the material misstatement if any present. Misstatements may result from fraud or errors and are considered significant if it can reasonably be assumed that either individually or collectively they may affect the economic decisions of users made on the basis of the present financial statements.

Within the framework of our audit conducted under International Standards on Auditing, we apply professional judgment and maintain professional scepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or errors; 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 generally may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain understanding of the internal control system relevant to the audit in order to develop audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system;

- evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Management and related disclosures made in statements;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures.

Valentina Silina  
Director  
Grant Thornton LLC

  
Dmitry Lapko  
Engagement Manager



**Auditor's entity:**

Grant Thornton Limited Liability Company;  
Address: 103 Pobediteley avenue, office 507, Minsk, 220020, Republic of Belarus;  
Registered by the decision of Minsk Municipal Executive Committee as of 12 July 2013  
UNP 100024856

Minsk, Belarus  
16 October 2019

## Statement of Sources and Use of Funds

	Period from 1 January 2019 to 16 October 2019	Cumulative from the Project start
<b>Cash balance as at 1 January 2019</b>		
Designated account - Grant funds in USD	245,667.42	
Transit account - Grant funds in BYN	134.21	
<b>Total opening cash balance</b>	<b>245,801.63</b>	
<b>Sources of funds</b>		
TF098603	300,000.00	4,500,000.00
Others	-	-
<b>Total financing</b>	<b>300,000.00</b>	<b>4,500,000.00</b>
<b>Less: Expenditures by Components</b>		
Component 1: Provision of Legal Advice and Institutional Capacity Building	225,110.97	2,358,223.64
Component 2: Privatization Transactions Delivery	51,320.00	1,874,149.93
<b>Total expenditures</b>	<b>276,430.97</b>	<b>4,232,373.57</b>
<b>Interest earned</b>	<b>199.94</b>	<b>1,944.17</b>
<b>Closing cash balances per bank statements</b>		
Designated account - IBRD loan	269,559.44	
Transit account - Grant funds	11.16	
<b>Total closing cash balances</b>	<b>269,570.60</b>	

Signed on behalf of the Management by:

Denis Meleshkin  
Deputy Director

  
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Alena Lemekh  
Leading Financial Specialist

  
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## Statement of Use of Funds by Types of Project's Activities

Project component/ Subcomponent/Activity	Total Amount per procurement plan	2019	Cumulative as at 16 October 2019	Amount payable at the reporting date (goods/services accepted but not paid for)		Total amount payable
				1	2	
<b>Component 1: Provision of Legal Advice and Institutional Capacity Building</b>						
1.1. Office furniture	2,240,000.00	225,110.97	2,358,223.64	-	-	(118,223.64)
1.2. Training		10,302.24	69,962.20	-	-	
1.3. Operational expenses		34,254.52	419,519.93	-	-	
1.4. International Advisors		47,857.50	153,957.81	-	-	
1.5. Computer and office equipment		7,537.56	1,117,165.48	-	-	
1.6. Web-design		-	83,153.39	-	-	
1.7. Communications strategy		-	5,697.84	-	-	
1.8. Legal Advisor		-	1,089.94	-	-	
1.9 Concept design and making the promotional video on the investing and privatization potential and opportunities		-	53,533.76	-	-	
2.0 Concept design and making the stand		-	47,456.57	-	-	
2.1 Multi-screen multimedia mobile unit for demonstration of video presentations		-	40,000.00	-	-	
2.2 Services of local consultants		1,320.98	14,906.23	-	-	
2.3 Belarus Investment Forum		-	103,005.61	-	-	
2.4 Development of FDI Strategy for the Republic of Belarus		-	32,705.12	-	-	
2.5 PPP International Conference		-	70,305.00	-	-	
2.6 Consulting Services on design and development of internet portal "Investor's Roadmap"		-	6,883.86	-	-	
2.7 Exhibition activity		65,156.34	80,199.07	-	-	
<b>Total Component 1</b>		<b>225,110.97</b>	<b>2,358,223.64</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Statement of Use of Funds by Types of Project's Activities (continued)

Project component/ Subcomponent/Activity	Total Amount per procurement plan 1	2019 2	Cumulative as at 16 October 2019 3	Amount payable at the reporting date (goods/services accepted but not paid for)	
				4	5
<b>Component 2: Privatization Transactions Delivery</b>	<b>2,360,000.00</b>	<b>51,320.00</b>	<b>1,874,149.93</b>	-	<b>485,850.07</b>
2.1. Retainer fee for Financial Advisors		-	1,747,802.11	-	
2.2. Advertisement of the privatizations in appropriate media		51,320.00	126,347.82	-	
<b>Total Component 2</b>	<b>51,320.00</b>	<b>51,320.00</b>	<b>1 874,149.93</b>	-	
<b>Total Project Expenditure</b>	<b>4,600,000.00</b>	<b>276,430.97</b>	<b>4,232,373.57</b>	-	<b>367,626.43</b>

Signed on behalf of the Management by:

Denis Meleshkin  
 Deputy Director

  
 Alena Lemekh  
 Leading Financial Specialist

## Statement of Withdrawal

Withdrawal application, No.	Category	Date of withdrawal	Payment		Equivalent is US dollars
			Currency	Amount	
25	DA-A	24 May 2019	USD	300,000.00	300,000.00
					300,000.00

Signed on behalf of the Management by:

Denis Meleshkin  
Deputy Director



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Alena Lemekh  
Leading Financial Specialist



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## Statement of Designated Account

Opening balance as at 1 January 2019	245,667.42
Funds provided under the Grant during the period	300,000.00
Agreed expenses paid during the present period	140,260.98
Amount of funds transferred to the transit account	135,847.00
<b>Designated account closing balance as at 16 October 2019</b>	<b>269,559.44</b>

Signed on behalf of the Management by:

Denis Meleshkin  
Deputy Director



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Alena Lemekh  
Leading Financial Specialist



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## Statement of Transit Account

Opening balance as at 1 January 2019	134.21
Funds granted from the special account during the period	135,847.00
Amount of eligible expenses paid during the reporting period	136,169.99
Interest income	199.94
<b>Transit account closing balance as at 16 October 2019</b>	<b>11.16</b>

Signed on behalf of the Management by:

Denis Meleshkin  
Deputy Director



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Alena Lemekh  
Leading Financial Specialist



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