

**“Implementation of National Strategy for Development
of Statistics”
Grant No. TF 017852**

The project financial statements
for the period from January 1, 2018 to June 30, 2018
and the grace period from July 1, 2018 to October 31, 2018

and independent auditors' report

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STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1, 2018 TO JUNE 30, 2018 AND THE GRACE PERIOD FROM JULY 1, 2018 TO OCTOBER 31, 2018

The following statement, which should be read in conjunction with the independent auditors’ report is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the project financial statements of the Project “Implementation of National Strategy for Development of Statistics”, Grant No. TF 017852 (the “Project”).

Management is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project components of the Project for the period from January 1, 2018 to June 30, 2018 and the grace period from July 1, 2018 to October 31, 2018 in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

In preparing the project financial statements, management is responsible for:

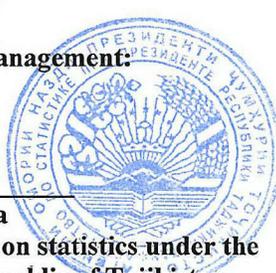
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statements; and
- preparing the project financial statements on a going concern basis, unless it is inappropriate to presume that the Project will continue its activity for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the project financial statements of the Project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Republic of Tajikistan, accounting system of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud and other irregularities.

The project financial statements for the period from January 1, 2018 to June 30, 2018 and the grace period from July 1, 2018 to October 31, 2018 were approved and authorized for issue on November 16, 2018 by the management of the Project.

On behalf of the Management:



Hasanzoda Gulnora
Director of Agency on statistics under the President of the Republic of Tajikistan

November 16, 2018
Dushanbe, the Republic of Tajikistan


Saburova Nazira
Head of finance and reporting department of Agency on statistics under the President of the Republic of Tajikistan

November 16, 2018
Dushanbe, the Republic of Tajikistan

INDEPENDENT AUDITORS' REPORT

To the management of the Project “Implementation of National Strategy for Development of Statistics” under the Agency on statistics under the President of the Republic of Tajikistan and the State Committee on Investments and Government Property Management of the Republic of Tajikistan:

Report on the project financial statements

Opinion

- [1] We have audited the project financial statements of the Project “Implementation of National Strategy for Development of Statistics” (the “Project”), which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project components for the period from January 1, 2018 to June 30, 2018 and the grace period from July 1, 2018 to October 31, 2018 and a summary of significant accounting policies and other explanatory information (the “project financial statements”).
- [2] In our opinion, the accompanying project financial statements present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project components of the Project for the period from January 1, 2018 to June 30, 2018 and the grace period from July 1, 2018 to October 31, 2018 in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

Basis for opinion

- [3] We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the project financial statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the project financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

- [4] Without qualifying our opinion, we draw attention to Note 2 to the project financial statements, which describe the basis of accounting. These project financial statements were prepared for complying with the appropriate World Bank Guidelines and Grant agreement requirements.

Other matter

- [5] The project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result, the project financial statements may not be suitable for another purpose.

Offices:

Moldova

Chisinau T: +373 22 233003

CyprusNicosia T: +357 22 458500
Limassol T: +357 25 591515
Larnaca T: +357 24 663299**Romania**

Bucharest T: +40 21 3156100

GreeceAthens, Thessaloniki
T: +30 215 500 6060**Bulgaria**

Sofia T: +359 2 9580980

Responsibilities of management and those charged with governance for the project financial statements

- [6] Management is responsible for the preparation and fair presentation of the project financial statements in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”), and for such internal control as management determines is necessary to enable the preparation of the project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the project financial statements

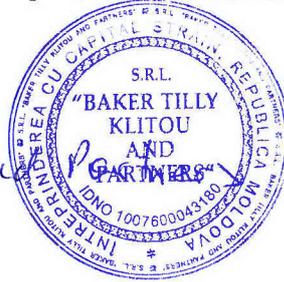
- [7] Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not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

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

- Identify and assess the risks of material misstatement of the project 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 Project’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 Project’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 project 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 Project to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- [8] 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.

[9] We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Baker Tilly Klitou and Partners



Baker Tilly Klitou and Partners SRL

Chisinau, Republic of Moldova
November 16, 2018

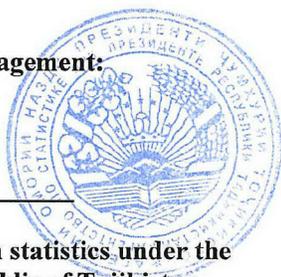
**“IMPLEMENTATION OF NATIONAL STRATEGY FOR DEVELOPMENT OF STATISTICS”
GRANT NO. TF 017852**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID
FOR THE PERIOD FROM JANUARY 1, 2018 TO JUNE 30, 2018 AND
THE GRACE PERIOD FROM JULY 1, 2018 TO OCTOBER 31, 2018
(in US dollars)**

| | Notes | The grace period from July 1, 2018 to October 31, 2018 | For the period from January 1, 2018 to June 30, 2018 | For the year ended December 31, 2017 | Cumulative |
|--|-------|--|--|--------------------------------------|------------------|
| Opening balance | 4 | 53,097 | 4,213 | 142,929 | - |
| Funds received | | | | | |
| Grant No. TF 017852 | 5 | 226,537 | 287,013 | 804,111 | 2,487,607 |
| Total funds received | | 226,537 | 287,013 | 804,111 | 2,487,607 |
| Other income | | - | - | - | 103 |
| Total receipts | | 226,537 | 287,013 | 804,111 | 2,487,710 |
| Project expenses | | | | | |
| Goods, non-consulting services, consultancy services, training and operating costs | 6 | 272,660 | 238,981 | 939,889 | 2,476,277 |
| Total project expenses | | 272,660 | 238,981 | 939,889 | 2,476,277 |
| Other expenses | | - | - | - | 103 |
| Net loss/(gain) on forex exchange | | 65 | (852) | 2,938 | 4,421 |
| Closing balance | 4 | 6,909 | 53,097 | 4,213 | 6,909 |

On behalf of the Management:


Hasanzoda Gulnora
Director of Agency on statistics under the
President of the Republic of Tajikistan




Saburova Nazira
Head of finance and reporting department of
Agency on statistics under the
President of the Republic of Tajikistan

November 16, 2018
Dushanbe, the Republic of Tajikistan

November 16, 2018
Dushanbe, the Republic of Tajikistan

The notes on pages 8-14 form an integral part of the project financial statements.
The independent auditors' report is on pages 3-5.

**“IMPLEMENTATION OF NATIONAL STRATEGY FOR DEVELOPMENT OF STATISTICS”
GRANT NO. TF 017852**

**SUMMARY OF EXPENDITURES PAID BY PROJECT COMPONENTS
FOR THE PERIOD FROM JANUARY 1, 2018 TO JUNE 30, 2018 AND
THE GRACE PERIOD FROM JULY 1, 2018 TO OCTOBER 31, 2018
(in US dollars)**

| | The grace period from July 1, 2018 to October 31, 2018 | For the period from January 1, 2018 to June 30, 2018 | For the year ended December 31, 2017 | Cumulative |
|--|---|---|---|------------------|
| Component A: Strengthening the institutional capacity of the Agency for Statistics and the NSS | - | 3,928 | 29,899 | 140,479 |
| Component B: Improving production of statistical data | 5,926 | 62,975 | 228,627 | 597,930 |
| Component C: Improving the dialogue between users and producers of data | - | - | - | - |
| Component D: Strengthening physical infrastructure, IT and automation of data processing | - | - | 28,866 | 473,967 |
| Component E: Project management Twining partnership | 38,997 | 47,514 | 79,356 | 338,459 |
| | <u>227,737</u> | <u>124,564</u> | <u>573,141</u> | <u>925,442</u> |
| | <u>272,660</u> | <u>238,981</u> | <u>939,889</u> | <u>2,476,277</u> |

On behalf of the Management:


Hasanzoda Gulnora
Director of Agency on statistics under the
President of the Republic of Tajikistan


Saburova Nazira
Head of finance and reporting department of
Agency on statistics under the
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November 16, 2018
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The notes on pages 8-14 form an integral part of the project financial statements.
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**“IMPLEMENTATION OF NATIONAL STRATEGY FOR DEVELOPMENT OF STATISTICS”
GRANT NO. TF 017852**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2018 TO JUNE 30, 2018 AND
THE GRACE PERIOD FROM JULY 1, 2018 TO OCTOBER 31, 2018
(in US dollars)**

1. GENERAL INFORMATION

According to the Agreement between the Republic of Tajikistan and International Bank of Reconstruction and Development (the “World Bank”), acting as an administrator of grant funds provided by various donors (the “Donors”) under the Multi-Donor Programmatic Trust Fund dated September 26, 2014, provided a Grant No. TF 017852 in amount not to exceed 2,500,000 US dollars to the Republic of Tajikistan.

The Grant was provided for implementation of the Project “National Strategy for Development of Statistics Project” (the “Project”).

Project purpose

The objective of the Project is to further improve the capacity of statistical system of Tajikistan to produce and disseminate relevant, reliable, and timely statistics in a cost-effective manner that are in line with the international standards and will be responsive to user needs. The Project will build on the achievements of previous Strengthening the National Statistical Project (the “TAJSTAT”) to sustain the progress.

The Project consists of 5 Components that are:

Component A: Strengthening institutional capacity of the Statistical Agency and the NSS - to support a range of activities, including: (a) strengthening relationships with relevant policy-making bodies; (b) full implementation of supervision, coordination and organizational arrangements according to the Law on Statistics; (c) improving resource allocation among various programs and departments; (d) further improvement of human resources and HR management to support objectives of SA; and (e) improving arrangements and regulations guiding public dissemination of micro data.

Component B: Improving production of statistical data - to support the following activities: (a) improving methodological skills of staff on classifications, standards, sampling and seasonal adjustment; (b) improving data quality; (c) filling capacity gaps in, for example, awareness of gender-sensitive indicators; (d) improving production of reliable and relevant economic and social statistics in areas of System of National Accounts, Price statistics, Poverty statistics, Business statistics, Social and Demography statistics, including gender desegregated statistical indicators; and (e) improving data collection mechanism for the integrated HBS.

Component C: Improving user-producer dialog - to support: (a) raising awareness of statistics and existing publications (using user accessible formats) as well as improving the image of SA; (b) improving interaction between users (including civil society groups) and producers; (c) improving access to statistics with metadata and quality reports disseminated in line with internationally accepted standards; (d) improving microdata terms of use; (e) developing public accessible anonymized microdata records; (f) introducing tools for data query and publication on the internet; (g) supporting dissemination of national development plan indicators; (h) supporting the revision and improvement of Law on Statistics, in particular provisions regarding the public access to micro-data.

Component D: Strengthening physical infrastructure, IT and automation of data processing - to support (a) upgrading hardware and software (including SPSS licenses) to address the needs of the SA; (b) improving data processing solutions; (c) improving existing IT infrastructure and connectivity with fiber-optic line and electronic system of reporting.

Component E: Project management - to support incremental operational cost of project implementation and salaries of key members of project implementation team (procurement and financial management specialists).

Project management

The Project is implemented by the Project Implementation Team (the "PIT") under the Agency on Statistics under the President of the Republic of Tajikistan.

Duration of the Project is from May 29, 2015 to June 30, 2018.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of preparation

These project financial statements have been prepared in accordance with the International Public Sector Accounting Standard (the "IPSAS") "Financial Reporting under the Cash Basis of Accounting" issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Under the cash basis approach income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received or provided.

The Project's approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented.

These project financial statements consist of:

- Summary of funds received and expenditures paid;
- Summary of expenditures paid by project components;
- Notes to the project financial statements, including short description of main statements of accounting policy and other descriptive notes.

The reporting currency of these project financial statements is US dollars (the "USD").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The project financial statements are prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Project. The project financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the project financial statements is balances of cash and changes therein.

Foreign currency

Operations in foreign currency initially are counted in functional currency by the official currency exchange rate settled by the National Bank of Tajikistan (the "NBT") on a date of operation.

All payments made in local currency are translated into US dollars at the official exchange rate defined by NBT, at the date of transaction.

Monetary assets and liabilities expressed in foreign currency are converted to functional currency at official exchange rate on a date settled by NBT.

All foreign exchange differences resulted from maturity or recounting are included in the summary of funds received and expenditures paid.

Non-monetary items are valued according to their historic cost in foreign currency, which are recalculated on rates of the initial operation date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term. Balances of advances paid to employees at the end of the period are also part of closing cash position.

Taxes

Calculation and payment of personal income tax and social security contributions from income of local staff and consultants is made in accordance with the requirements and rates of the Tax Code of the Republic of Tajikistan.

Project expenses

The expenses are recorded in the period when they were actually paid.

Sources of funds

The funds were provided by the World Bank to the Project by advance, replenishment of designated account or through direct payment to the end supplier of goods and/or services.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at October 31, 2018, June 30, 2018 and December 31, 2017 comprise:

| | Currency | October 31, 2018 | June 30, 2018 | December 31, 2017 |
|---------------------------------------|----------|---------------------|------------------|----------------------|
| Designated account | USD | - | 51,453 | 3,739 |
| Transit account | TJS | - | 555 | - |
| Cash on hand | TJS | - | 1,115 | 134 |
| Escrow account in SSB RT "Amonatbank" | USD | 6,909 | - | - |
| Advances paid to employees | TJS | - | (26) | 340 |
| | | <u>6,909</u> | <u>53,097</u> | <u>4,213</u> |

5. FUNDS RECEIVED

The funds received are presented by the following financing methods:

| | The grace period from July 1, 2018 to October 31, 2018 | For the period from January 1, 2018 to June 30, 2018 | For the year ended December 31, 2017 | Cumulative |
|---------------------------|---|---|---|------------------|
| Reimbursement of expenses | - | 196,397 | 351,034 | 1,252,150 |
| Direct payment | 226,537 | 90,616 | 453,077 | 1,035,457 |
| Advance | - | - | - | 200,000 |
| | <u>226,537</u> | <u>287,013</u> | <u>804,111</u> | <u>2,487,607</u> |

6. PROJECT EXPENSES

Project expenses by components are presented in the summary of expenditures paid by project components. Project expenses on major categories are presented in the summary of funds received and expenditures paid. Breakdown of project expenses by nature is presented as follows:

| | The grace period from July 1, 2018 to October 31, 2018 | For the period from January 1, 2018 to June 30, 2018 | For the year ended December 31, 2017 | Cumulative |
|---|---|---|---|------------------|
| Twining Partnership | 227,737 | 124,564 | 572,753 | 1,029,182 |
| IT equipment | - | - | 28,866 | 341,461 |
| Business statistics. Foreign and domestic trade | 2,093 | 6,918 | 218,318 | 227,329 |
| Local consultants | - | 31,465 | 58,510 | 184,627 |
| Social statistics. work force | - | 8,284 | 5,384 | 129,128 |
| Small equipment for NSS | - | - | - | 89,608 |
| IT equipment (VPN) | - | - | - | 58,050 |
| Vehicle | - | - | - | 56,702 |
| Local company on training of English and Russian languages of individual staff | - | 3,951 | 29,899 | 50,893 |
| Agricultural statistics | - | - | - | 44,663 |
| Final conference | 32,041 | 5,689 | - | 37,730 |
| Business statistics. construction | 1,552 | 30,338 | - | 37,224 |
| Environment statistics | - | 403 | 5,313 | 36,533 |
| Spare parts for servers | - | - | - | 25,000 |
| Office expenses | - | 10,158 | 4,500 | 23,725 |
| Equipment for GIS | - | - | - | 20,233 |
| Equipment to create the electronic library in the Agency | - | - | - | 19,573 |
| Household budget survey | 2,338 | 17,091 | - | 19,429 |
| External audit | 6,899 | - | 9,996 | 16,895 |
| Trips abroad | - | - | - | 10,272 |
| Equipment for the Training Center | - | - | - | 9,651 |
| Fines and penalties | - | - | 5,254 | 5,254 |
| Translation services | - | - | - | 1,899 |
| Update program 1C Enterprise and training | - | 120 | 1,096 | 1,216 |
| | <u>272,660</u> | <u>238,981</u> | <u>939,889</u> | <u>2,476,277</u> |

7. FINANCIAL POSITION

Financial position as at October 31, 2018, June 30, 2018 and December 31, 2017 comprise:

| | October 31, 2018 | June 30, 2018 | December 31, 2017 |
|--------------------------------------|---------------------|------------------|----------------------|
| ASSETS AND EXPENDITURES | | | |
| Cash and cash equivalents | 6,909 | 53,097 | 4,213 |
| Cumulative project expenses | 2,476,277 | 2,203,617 | 1,964,636 |
| Foreign exchange loss | 4,421 | 4,356 | 5,208 |
| Other expenses | 103 | 103 | 103 |
| TOTAL ASSETS AND EXPENDITURES | <u>2,487,710</u> | <u>2,261,173</u> | <u>1,974,160</u> |
| FINANCING | | | |
| Funds received | 2,487,607 | 2,261,070 | 1,974,057 |
| Other income | 103 | 103 | 103 |
| TOTAL FINANCING | <u>2,487,710</u> | <u>2,261,173</u> | <u>1,974,160</u> |

8. WITHDRAWAL APPLICATIONS

Withdrawal applications for the period from January 1, 2018 to June 30, 2018 and the grace period from July 1, 2018 to October 31, 2018 comprise:

For the period from January 1, 2018 to June 30, 2018

| Application | Date | Advance | Direct payment | Goods, non-consulting services, consultancy services, training and operating costs | Total |
|-------------|------------------|----------|----------------|--|----------------|
| SA-16 | February 7, 2018 | - | - | 196,397 | 196,397 |
| SA-17 | March 29, 2018 | - | 90,616 | - | 90,616 |
| | | <u>-</u> | <u>90,616</u> | <u>196,397</u> | <u>287,013</u> |

For the grace period from July 1, 2018 to October 31, 2018

| Application | Date | Advance | Direct payment | Goods, non-consulting services, consultancy services, training and operating costs | Total |
|-------------|------------------|----------|----------------|--|----------------|
| SA-18 | July 12, 2018 | - | 135,924 | - | 135,924 |
| SA-19 | October 31, 2018 | - | 90,613 | - | 90,613 |
| | | <u>-</u> | <u>226,537</u> | <u>-</u> | <u>226,537</u> |
| | | <u>-</u> | <u>317,153</u> | <u>196,397</u> | <u>513,550</u> |

9. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the period from January 1, 2018 to June 30, 2018 and the grace period from July 1, 2018 to October 31, 2018 comprises:

| | |
|---|--|
| <i>Bank</i> | SSB RT "Amonatbank" |
| <i>Currency</i> | US Dollars |
| <i>Bank account</i> | 20206840000307100000 |
| <i>Bank's location</i> | Lohuti 24 str., Dushanbe, the Republic of Tajikistan |
| Balance as at December 31, 2017 | <u>3,739</u> |
| Reimbursement of expenses | <u>196,397</u> |
| Total funds received to the designated account | <u>196,397</u> |
| Transferred to transit account | <u>148,683</u> |
| Balance as at June 30, 2018 | <u>51,453</u> |
| Total funds received to the designated account | <u>-</u> |
| Expenses paid | 6,008 |
| Transferred to transit account | <u>45,445</u> |
| Balance as at October 31, 2018 | <u><u>-</u></u> |

10. UNDRAWN FUNDS

As at October 31, 2018 undrawn funds are presented as follows:

| | |
|---|---|
| | Grant No. TF 017852 in USD |
| Approved financing amount | 2,500,000 |
| Disbursed during the period from May 29, 2015 to June 30, 2018 | 2,261,070 |
| Disbursed during the grace period from July 1, 2018 to October 31, 2018 | <u>226,537</u> |
| Undrawn financing amount | <u><u>12,393</u></u> |
| | Grant No. TF 017852 in USD |
| Financing received as at December 31, 2017 | 1,974,057 |
| Disbursed amount for the period from January 1, 2018 to June 30, 2018 | 287,013 |
| Disbursed amount for the grace period from July 1, 2018 to October 31, 2018 | <u>226,537</u> |
| Financing received as at October 31, 2018 | <u><u>2,487,607</u></u> |

11. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan.

The Project had commitments for covering audit service expenses to Baker Tilly Klitou and Partners SRL for the period from January 1, 2018 to June 30, 2018 and for the grace period from July 1, 2018 to October 31, 2018 in the amount of 7,059 US dollars (including withhold tax 1,059 US dollars) and 160 US dollars of withhold tax for audit services provided for the year ended December 31, 2017.

The Project had commitment for covering withhold tax expenses according to the invoice No. SRT/003.18 dated June 26, 2018, based on contract with Joint Venture DevStat dated August 18, 2018 for providing consulting services as at October 31, 2018 in the amount of 12,393 US dollars to the Tax authorities.

12. GOING CONCERN

The period of duration of the Project was completed on June 30, 2018 and the grace period on October 31, 2018.

13. LEGAL CASES

There were no any legal cases related to the Project.

14. EVENTS AFTER THE REPORTING DATE

As at the date of issue of the project financial statements no significant events or transactions occurred which should be disclosed in the project financial statements.