FINANCIAL STATEMENT
FOR THE
GLOBAL PARTNERSHIP
ON OUTPUT- BASED AID
PROJECT
TF16279 IN VANUATU

For the 16 Months Period Ended 30 April 2019

Prepared Under IPSAS: Financial Reporting Under the Cash Basis Accounting
# TABLE OF CONTENTS

- PROJECT BACKGROUND .............................................................................................................. 3-4
- AUDITOR’S REPORT ...................................................................................................................... 5-6
- STATEMENT OF CASH RECEIPTS AND PAYMENTS ................................................................ 7
- STATEMENT OF COMPARISON OF BUDGET AND ACTUAL ...................................................... 8
- STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS ......................... 9
  1. Accounting Policies .............................................................................................................. 9-11
  2. Government counterpart funding .................................................................................. 11
  3. Donor grant assistance ..................................................................................................... 122
  4. Operating Expenditure ...................................................................................................... 12
  5. Consultants-Smartstream ................................................................................................. 132
  6. Capital Expenditure .......................................................................................................... 13
  7. Closing cash balance ......................................................................................................... 13
  8. Revenue variance between budget and actual ............................................................ 13
  9. Expenditure variance between budget and actual ....................................................... 13
 10. Imprest Account ............................................................................................................... 13
 11. Payments to Third Parties .............................................................................................. 14
 12. Related Parties ................................................................................................................. 14
PROJECT BACKGROUND

Global Partnership on Output – Based Aid Project (GPOBA) provides Grant Funding of US$4.85 million to the Department of Energy (DoE) to support households to the grid network within the concession areas (Port Vila in Efate, Luganville in Espiritu Santo, Lenakel in Tanna and Lakatoro in Malekula) by 2018 when the project is expected to be concluded.

The Project under the oversight of the Department of Energy (TF 16279) – is planned to connect 4,375 households to the grid network within the concession area by 2018. The objective of the project is to increase sustainable access to formal grid-based electricity services within the Recipient’s electricity concession service areas for low-income customers through targeted subsidies. The project consists of the following parts:

**Part 1: New Service connections for Low-Income Households**

Provision of Output- Based Aid (OBA) Subsidies to assist in covering the costs of connecting Eligible Households to grid-based electricity services.

**Part 2: Household wiring for Low-Income Households**

Provision of OBA Subsidies to assist in covering the costs of household wiring and energy saving light bulbs for Eligible Households gaining electricity connections under Part 1.

**Part 3: Project Management, Monitoring and Evaluation, Communications and Outreach, and Training**

Carry out activities to support implementation of the project, including among other things:

a) Raising Beneficiaries’ awareness of the OBA Subsidies under Part 1 and Part 2 and training on safe electrical practices;

b) Development and adoption of technical standards and a licensing scheme for household wiring, including delivering training programs for electricians and monitoring compliance with standards;

c) Monitoring and evaluation, financial management, supervision, and audit of the Project; and

d) Technical training, support, and incremental operating costs for the Department of Energy.
Part 4: Independent Verification

Carrying out independent monitoring and verification connections through an independent agent.

PROJECT STATUS

The Project's aim to connect a total of 4,375 low-income households to the national grid through either UNELCO or VUI. As of 31 December 2018, The Project achieved the following:

- A total of 2,187 of low-income households were connected to the national grid.
- Of the total, 780 households were connected by VUI Grid in Luganville, of which 778 received household wiring.
- The remaining 1,407 households were connected by UNELCO Grid in Port Vila, Tanna and Malekula. Of this total, only 942 received household wiring.

The Grant funding for the Project is US $4.85 Million. Since the start of the Project up to 31 December 2018, a total of US $1,296,247 was released by the World Bank. This is 27% of the total grant.

This report provides the financial statement for the Global Partnership on Output-Based Aid Project (GPOBA) TF 16279 for the 16 months ended 30 April 2019. The GPOBA project commenced in June 2014 and has ended in December 2018 with a grace period of four (4) months ended 30 April 2019.

Mrs Esline Garaebiti
Acting Director General
Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment & Energy
13 November 2019
Independent Auditors’ Report to the members of Global Partnership on Output – Based Aid Project

The Auditor-General is the auditor of the Global Partnership on Output – Based Aid Project (GPOBA). The Auditor-General has appointed Law Partners to undertake the audit of GPOBA pursuant to Section 24(1) of the Expenditure Review and Audit Act [CAP 241].

Audit Opinion

We have audited the accompanying financial statements of the Global Partnership on Output – Based Aid Project (GPOBA) for the 16-month period ended 30 April 2019 consisting of the statement of cash receipts and payments, statement of comparison of budget and actual amount and accompanying notes set out on pages 7 to 14.

In our opinion, the financial statements present fairly in all material respects the cash receipt and payments and cash flows of the Project for the 16-month period ended 30 April 2019, in accordance with International Public-Sector Accounting Standards – Financial Reporting under Cash Basis of Accounting and the project administration complies with relevant Vanuatu legislation and regulations.

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the Financial Report section of our report.

We are independent of the project in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial statements in Vanuatu. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of the members for the financial statements

The members of the project are responsible for:
• the preparation and fair presentation of these financial statements and the information they contain, in accordance with International Public-Sector Accounting Standards: Financial Reporting under Cash Basis of Accounting;
• implementing necessary internal controls to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
• assessing the project’s ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to cease operations or have no realistic alternative but to do so.
Auditors' responsibilities for the audit of the financial statements

Our objective is:

• to obtain reasonable assurance about whether the financial statements as a whole is 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. They 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 the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. A further description of our responsibilities for the audit of the financial statements is located at the website https://www.ifac.org/system/files/publications/files/ISA-700-Revised_3.pdf. This description forms part of our auditor's report.

Jonathan Law
Partner
Port Vila
13 November 2019
FINANCIAL STATEMENTS

GLOBAL PARTNERSHIP ON OUTPUT-BASED AID
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE 16 MONTH PERIOD ENDED 30 APRIL 2019

(Expressed in Vanuatu Vatu)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Consolidated Project (VUV)</td>
</tr>
<tr>
<td></td>
<td>16 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>19 Months</td>
</tr>
<tr>
<td></td>
<td>Restated Financial Statements</td>
<td>Audited Financial Statements</td>
<td>Restated Receipts/ Payment</td>
<td>Based on Restated Receipts / Payment</td>
<td></td>
</tr>
</tbody>
</table>

CASH RECEIPTS

- World Bank
  - Receipts Paid Directly to Third Party
  - World Bank - Funds Transfer directly to Development Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Consolidated Project (VUV)</td>
</tr>
<tr>
<td></td>
<td>16 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>19 Months</td>
</tr>
<tr>
<td></td>
<td>Restated Financial Statements</td>
<td>Audited Financial Statements</td>
<td>Restated Receipts/ Payment</td>
<td>Based on Restated Receipts / Payment</td>
<td></td>
</tr>
</tbody>
</table>

CASH PAYMENTS

- Consultants Services Under Part 4 of the Project
- Consultants – Smartstream
- OBA Subsidies Under Part 1 and Part 2 of the Project
- Goods
- Workshops
- Trainings
- Incrementing operating Costs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Receipt/ (Payment) (VUV)</td>
<td>Consolidated Project (VUV)</td>
</tr>
<tr>
<td></td>
<td>16 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>19 Months</td>
</tr>
<tr>
<td></td>
<td>Restated Financial Statements</td>
<td>Audited Financial Statements</td>
<td>Restated Receipts/ Payment</td>
<td>Based on Restated Receipts / Payment</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL CASH RECEIPTS

56,624,985 46,439,165 46,439,165 32,748,042 26,970,672 162,782,864

TOTAL CASH PAYMENTS

4 58,639,508 47,284,597 46,749,047 32,352,246 17,601,512 155,877,863

DECREASE / INCREASE IN CASH

(2,014,523) (845,432) (309,882) 395,796 9,369,160 6,905,001

Cash at 1 January 2018

8,919,524 9,764,956 9,764,956 9,369,160 6,905,001

Cash at 30 April 2019

6,898,981 8,919,524 9,455,074 9,764,956 9,369,160 6,905,001

This Statement is to read in conjunction with the accompanying notes and accounting policies.

Mrs Eslin Graniti
Acting Director General
Ministry of Climate Change & Geo-Hazards, Environment & Energy
13 November 2019

Global Partnership on Output-Based Aid Project - Financial Statements, 2019
GLOBAL PARTNERSHIP ON OUTPUT- BASED AID
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL
FOR THE 16 MONTH PERIOD ENDED 30 APRIL 2019
(Expressed in Vanuatu Vatu)


<table>
<thead>
<tr>
<th>Category</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>Difference</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>Difference</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>Difference</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>Difference</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>Difference</th>
<th>TOTAL</th>
<th>FINAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VUV</td>
<td>VUV</td>
<td>Actual</td>
<td>VUV</td>
<td>VUV</td>
<td>Actual</td>
<td>VUV</td>
<td>VUV</td>
<td>Actual</td>
<td>VUV</td>
<td>VUV</td>
<td>Actual</td>
<td>VUV</td>
<td>VUV</td>
<td>Actual</td>
<td>VUV</td>
<td>VUV</td>
<td>VUV</td>
</tr>
<tr>
<td>CASH INFLOWS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Bank Funds Transfer directly to DoE</td>
<td>56,264,985</td>
<td>110,894,130</td>
<td>(54,629,145)</td>
<td>46,439,165</td>
<td>46,439,165</td>
<td>110,894,130</td>
<td>(64,454,965)</td>
<td>32,748,042</td>
<td>110,367,540</td>
<td>(77,619,498)</td>
<td>162,782,864</td>
<td>436,500,000</td>
<td>(273,717,136)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Receipts</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH OUTFLOWS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 1: Consultants</td>
<td>1,396,958</td>
<td>5,328,000</td>
<td>(3,931,042)</td>
<td>4,596,500</td>
<td>4,060,950</td>
<td>5,328,000</td>
<td>(731,500)</td>
<td>275,000</td>
<td>4,788,000</td>
<td>(4,513,000)</td>
<td>2,620,691</td>
<td>2,362,860</td>
<td>257,831</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 2: Goods</td>
<td>344,995</td>
<td>1,029,150</td>
<td>(684,155)</td>
<td>238,685</td>
<td>238,685</td>
<td>1,029,150</td>
<td>(790,465)</td>
<td>335,125</td>
<td>1,029,060</td>
<td>(693,935)</td>
<td>918,805</td>
<td>2,158,200</td>
<td>(1,239,395)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 3: Workshops</td>
<td>165,048</td>
<td>891,900</td>
<td>(726,852)</td>
<td>226,795</td>
<td>226,795</td>
<td>891,900</td>
<td>(665,105)</td>
<td>428,311</td>
<td>905,400</td>
<td>(477,089)</td>
<td>404,411</td>
<td>707,400</td>
<td>(303,990)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 4: Training</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 5: Incremental Operating Costs</td>
<td>165,048</td>
<td>891,900</td>
<td>(726,852)</td>
<td>226,795</td>
<td>226,795</td>
<td>891,900</td>
<td>(665,105)</td>
<td>428,311</td>
<td>905,400</td>
<td>(477,089)</td>
<td>404,411</td>
<td>707,400</td>
<td>(303,990)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 6: OBA Subsidies Under Part 1 and Part 2 of the Project</td>
<td>56,055,035</td>
<td>96,750,000</td>
<td>(40,694,965)</td>
<td>40,884,497</td>
<td>40,884,497</td>
<td>96,750,000</td>
<td>(55,865,503)</td>
<td>27,577,860</td>
<td>96,750,000</td>
<td>(69,172,140)</td>
<td>10,550,040</td>
<td>96,750,000</td>
<td>(86,199,960)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 7: Consultants Services Under Part 4 of the Project</td>
<td>677,472</td>
<td>4,497,120</td>
<td>(3,819,648)</td>
<td>1,338,120</td>
<td>1,338,120</td>
<td>4,497,120</td>
<td>(3,159,000)</td>
<td>3,735,950</td>
<td>4,497,120</td>
<td>(761,170)</td>
<td>4,026,370</td>
<td>4,501,284</td>
<td>(474,914)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 8: Unallocated Funds</td>
<td>-</td>
<td>2,397,960</td>
<td>(2,397,960)</td>
<td>-</td>
<td>-</td>
<td>2,397,960</td>
<td>(2,397,960)</td>
<td>-</td>
<td>-</td>
<td>2,397,960</td>
<td>(2,397,960)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Payments</td>
<td>9</td>
<td>58,639,908</td>
<td>110,894,130</td>
<td>(52,254,222)</td>
<td>47,284,397</td>
<td>46,759,047</td>
<td>110,894,130</td>
<td>(63,609,533)</td>
<td>32,352,246</td>
<td>110,367,540</td>
<td>(78,015,294)</td>
<td>17,661,512</td>
<td>106,719,570</td>
<td>(89,058,058)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET CASH FLOWS</td>
<td>(2,014,523)</td>
<td>-</td>
<td>(2,014,523)</td>
<td>(2,014,523)</td>
<td>-</td>
<td>(2,014,523)</td>
<td>-</td>
<td>(2,014,523)</td>
<td>395,796</td>
<td>-</td>
<td>395,796</td>
<td>9,369,160</td>
<td>-</td>
<td>9,369,160</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This statement is to be read in conjunction with the accompanying notes and accounting policies.
GLOBAL PARTNERSHIP ON OUTPUT- BASED AID
STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
FOR THE 16 MONTH PERIOD ENDED 30 APRIL 2019

1. Accounting Policies

a. Reporting Entity

The Global Partnership on Output-Based Aid Project (GPOBA) is administered by the Department of Energy (DoE). The Grant is for Global Partnership on Output-Based Aid Project (GPOBA) which the objective of the project is to increase sustainable access to formal grid-based electricity services within the Recipient's electricity concession service areas for low-income customers through targeted subsidies. The project consists of the following parts:

(i) New Service Connections for Low-Income Households
(ii) Household Wiring for Low-Income Households
(iii) Project Management, Monitoring and Evaluation, Communication and Outreach, and Training
(iv) Independent Verification

b. Authorization Date

The financial statements of the Grant TF 16279 was for the 16 Months ended 30 April 2019 and was authorized for issue on the 13th of November 2019, by Mrs Esline Garaebiti (Acting Director General) for the Department of Energy. No other body has the power to amend these financial statements once they have been issued.

c. Basis of Preparation

The financial statements of the Grant have been prepared in accordance with requirements of the Public Finance and Economic Management Act [CAP.244] which includes the requirement to comply with generally accepted accounting practice.

The financial statements comply with IPSAS “Financial Reporting under the Cash Basis of Accounting” for the 16 Months ended 30 April 2019.

d. Presentation currency

The financial statements are presented in Vanuatu Vatu (VUV).
ACCOUNTING POLICIES (continued)

e. **Foreign currency**

The grant funding payments received from the World Bank are in USD and have been converted by the Reserve Bank of Vanuatu at the rate on the day of the transaction.

f. **Cash and Cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Department of Energy receives the grant from the World Bank which is managed through the centralized Smart Stream system. Under this arrangement the Department of Energy does not control the grant as their own bank account but rather the central entity will make payments on behalf of the department after appropriate authorization and documentation. These transactions have been disclosed in a separate column in the “Statement of cash receipts and payments”.

g. **Property, Plant & Equipment**

Purchases of fixed assets have been included in the Statement of Cash Receipts and Payments under Goods. Separate disclosure has been disclosed in Note 6 of these accounts.

Fixed assets are stated at cost at the date of purchase.

There are no fixed assets purchased on hire purchase schemes and no depreciation is being charged.

h. **Budget**

The budget is prepared on a cash basis when cash is expected to be received and paid. The classification of the budget is prepared on the common revenue sources and expenditure is classified on the nature of expenditure normally incurred by the Project. Goods are treated as part of normal operational expenditure.

The final budget is the budget that was approved by the World Bank dated 02 June 2014.
GLOBAL PARTNERSHIP ON OUTPUT- BASED AID
STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
FOR THE 16 MONTH PERIOD ENDED 30 APRIL 2019

1. Accounting Policies (continued)

h. Budget (continued)

The approved budget is developed on the same accounting basis, classification basis, as the financial
statements. The budget presented has been prepared for the whole project period of 49 months which
is different to the 16 months period prepared for these financial statements. The reason for presenting
a different period of budget to actual is because the grant agreement was only approved according
to the budget given over the project life.

The Grant Agreement identified the budget categories according to the following components to be
procured under the project. It encompasses the same entities as the financial statement.

Category 1: Goods, Consultant services, Incremental Operating Costs, Training and Workshops
under Part 3 of the Project.

Category 2: Output -Based Aid (OBA) Under Parts 1 and 2 of the Project

Category 3: Consultants’ services under Part 4 of the Project

The budget was originally designed in USD and was converted into VUV at the rate of USD 1=
VUV90 as per summary of disbursements.

i. Changes in accounting policies

There have been no changes in accounting policies during the financial year.

j. Comparatives

These financial statements are for the 16 months ended 30 April 2019. The comparative figures
are for the year (12 months) ended 31 December 2017.

It must be noted that the Consultant – Smartstream expense account for the financial year ended
31 December 2017 was re-stated by Vt535,550. Refer to Note 7 Closing cash balance for details.

2. Government counterpart funding

The project does not receive any funds from the Vanuatu Government as this project is fully funded by
the World Bank.
3. Donor grant assistance

In 2014, the Department of Energy signed a grant agreement (World Bank Grant No. TF16279) with the World Bank. The purpose of the project is to increase sustainable access to formal grid-based electricity services within the Recipient's electricity concession service areas for low-income customers through the targeted subsidies (Vanuatu Utilities Infrastructure Limited and UNELCO) and the agreement was for US$ 4,850,000 from 2014 to 2018.

The grant agreement specifically sets out the areas for spending of which US$ 350,000 allocated for the Goods, Consultant Services, Incremental Operating Costs, Training and workshops under Part 3 of the Project. OBA Subsidies under Parts 1 and 2 of the Project are allocated US$ 4,300,000 and US$ 200,000 allocated for Consultants' services under Part 4 of the Project.

As at the 30th of April 2019, US$ 1,493,847 (total grant received as at 30th of April 2019 equivalent to VUV 162,782,864) had been drawn down from World Bank with a remaining balance of US$ 3,356,153 to be returned to World Bank.

4. Operating Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Restated Financial Statements</td>
<td>Audited Financial Statements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provident Fund</td>
<td>26,058</td>
<td>40,869</td>
<td>40,869</td>
<td>137,020</td>
<td>149,020</td>
</tr>
<tr>
<td>Consultants Fees</td>
<td>847,372</td>
<td>5,052,841</td>
<td>4,517,291</td>
<td>3,873,930</td>
<td>3,877,350</td>
</tr>
<tr>
<td>Audit fees</td>
<td>1,201,000</td>
<td>490,000</td>
<td>490,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subsistence Allowances</td>
<td>55,000</td>
<td>75,000</td>
<td>75,000</td>
<td>105,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Vehicles Fuel</td>
<td>38,889</td>
<td>60,000</td>
<td>60,000</td>
<td>60,001</td>
<td>50,000</td>
</tr>
<tr>
<td>Telephone / Fax - Communications</td>
<td>39,900</td>
<td>30,360</td>
<td>30,360</td>
<td>38,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Vehicle Repairs &amp; Maintenance</td>
<td>26,699</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Food - Suppliers</td>
<td>5,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lighting Utilities</td>
<td>56,055,035</td>
<td>40,884,497</td>
<td>40,884,497</td>
<td>27,577,860</td>
<td>10,550,040</td>
</tr>
<tr>
<td>Local Travel</td>
<td>239,280</td>
<td>399,035</td>
<td>399,035</td>
<td>142,125</td>
<td>32,200</td>
</tr>
<tr>
<td>Advertising - Communications</td>
<td>12,500</td>
<td>147,110</td>
<td>147,110</td>
<td>260,000</td>
<td>273,000</td>
</tr>
<tr>
<td>Printing - Communications</td>
<td>-</td>
<td>18,000</td>
<td>18,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stationery - Communications</td>
<td>23,926</td>
<td>32,444</td>
<td>32,444</td>
<td>73,310</td>
<td>4,321</td>
</tr>
<tr>
<td>Office - Materials</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Incidents</td>
<td>35,815</td>
<td>15,200</td>
<td>15,200</td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td>Equipment Repairs &amp; Maintenance</td>
<td>33,034</td>
<td>39,241</td>
<td>39,241</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>58,659,508</strong></td>
<td><strong>47,284,597</strong></td>
<td><strong>46,749,047</strong></td>
<td><strong>32,552,246</strong></td>
<td><strong>14,980,821</strong></td>
</tr>
</tbody>
</table>

5. Consultants - Smart stream

Consultant- Smartstream's amount of VUV 1,396,958 includes the Final audit fee of VUV 696,000, that was transferred to an Escrow account.
GLOBAL PARTNERSHIP ON OUTPUT-BASED AID  
STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS  
FOR THE 16 MONTH PERIOD ENDED 30 APRIL 2019

6. Capital Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment – Additional General</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>270,691</td>
</tr>
<tr>
<td>Vehicle – Additional Vehicle</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,350,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>2,620,691</strong></td>
</tr>
</tbody>
</table>

7. Closing cash balance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Made up as follows:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Smartstream Central Account</td>
<td>6,905,001</td>
<td>8,919,524</td>
<td>9,455,074</td>
<td>9,764,956</td>
<td>8,509,159</td>
<td></td>
</tr>
<tr>
<td>World Bank – Funds transfer directly to Development Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>860,001</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,905,001</td>
<td>8,919,524</td>
<td>9,455,074</td>
<td>9,764,956</td>
<td>8,509,159</td>
<td>9,369,160</td>
</tr>
</tbody>
</table>

Further to Note1(j), the Consultant – Smartstream expense account for the financial year ended 31 December 2017 was re-stated by Vt535,550. The fee payment was for Clive Mason’s consultancy fee for the Mid Term Review Inception report paid in 2017 but deducted as a commitment. As a result, the Statement of Cash receipts and payments depict a cash balance as at 31 December 2017 of Vt8,919,524 whilst the Smartstream Central Account (tabled above) denotes a cash balance of Vt9,455,074: the difference being Vt535,550 clarified above.

8. Revenue variance between budget and actual

The difference of VUV 54,269,145 represents the actual amount received being less than the period budget. The variance relates to the funding from the World Bank that was delayed due to the project starting later than anticipated and also the different exchange rate used in the final budget which is US$1 = VUV 90 and the actuals that used the exchange rate on the transaction date.

9. Expenditure variance between budget and actual

The project underspent VUV 52,254,622 against the budget of VUV 110,894,130. This is due to the late commencement of the project which required the establishment of new systems, processes and procedures compliant with World Bank requirements. These have now been established and many of the grant activities are progressing well.

10. Imprest Account

As at 30 April 2019, there is no outstanding Imprest Account for the Trust Fund.
11. Payments to Third Parties

There were six direct payments (Vt54,307,321) and three LPO payments (Vt1,747,714) made to the two subsidies (UNELCO & VUI) in 2018 and 2019. Direct Payment were made in the World Bank Financial System (Client Connection) for the Subsidy Claim payments.

For reporting purposes, the Department of Energy is required to keep a record of every transaction that occurs in Client Connection.

Therefore, a general journal has been prepared and processed into SmartStream by debiting the Lighting Utilities account and credit the Global Partnership Output-Based Aid: World Bank Contribution.

12. Related Parties

There were no related party transactions during the year.