

Power Grid Improvement Project

*(Funded by International Development Association under
Specific Investment Lending Instrument Grant No.56750-LA)*

Financial Statements

31 December 2016



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(Funded by International Development Association under Specific Investment Lending Instrument Grant No.56750-LA)

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REPORT OF THE PROJECT'S MANAGEMENT

MANAGEMENT'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Project's Management is responsible for the preparation of the Project's financial statements which comprise the statement of fund balance as at 31 December 2016 and the statement of receipts and disbursements for the year then ended, together with the explanatory notes thereto.

In preparing the financial statements, Management is required to:

- ▶ adopt accounting policies as described in Note 3 to the financial statements and apply them consistently in accordance with the requirements of International Development Association ("IDA") for Government-executed projects' financial statements;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ maintain proper financial operations and controls;
- ▶ maintain adequacy of the management structure and general control environment;
- ▶ ensure that all non-expendable properties are used solely for and by the Project, and maintain proper control over those properties.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the funds requested, authorized for, received and disbursed by the Project and to ensure that the accounting records comply with the accounting policies described in Note 3 to the financial statements. Management is also responsible for safeguarding the assets of the Project, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that it has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as at and for the year ended 31 December 2016, which are prepared in accordance with the accounting policies as described in Note 3 to the financial statements and comply with the related grant agreements.

The financial statements are prepared to assist the Project's Management in meeting the reporting requirements of the IDA. As a result, the financial statements may not be suitable for any other purpose.

On behalf of Project Management:



Managing Director
Electricite Du Laos

Komonchanh PHET-ASA
Deputy Managing Director

Kanthaneth XAYSOMPHENG

Mr Kanthaneth Xaysompheng
Deputy Manager of Project-Loan
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Electricite Du Laos

Vientiane, Lao PDR

30 June 2017