

# **Project Financial Statements and Independent Auditor's Report**

**"Road Department" SNCO  
North-South Road Corridor Investment Program-  
Project 3  
Loan Number 2993-ARM**

As of and for the year ended 31 December 2019



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# Independent auditor's report

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To the Government of the Republic of Armenia

## *Opinion*

We have audited the project financial statements of North-South Road Corridor Investment Program-Project 3 (the "Project"), financed by the Asian Development Bank (the "ADB") Loan number 2993-ARM, implemented by the "Road Department" SNCO, which comprise the statement of project sources and uses of funds, the advance account statement and the government co-financing accounts statement as of and for the year ended 31 December 2019 and the statement of expenditures ("SOEs") submitted to the ADB for the year ended 31 December 2019 in support of Loan Agreement 2993-ARM withdrawals, and notes to the project financial statements, including a summary of significant accounting policies.

In our opinion,

- the accompanying project financial statements and appended notes that were also the subject of the audit, give a true and fair view of the cash position of the North-South Road Corridor Investment Program-Project 3 (Loan number 2993-ARM) as of 31 December 2019, and of the cash received and cash paid for the year then ended in accordance with the International Public Sector Accounting Standards ("IPSAS") *Financial Reporting Under the Cash Basis of Accounting* issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, the Asian Development Bank guidelines ("Project Financial Management and Analysis") and the covenants of the Loan number 2993-ARM;
- the "Road Department" SNCO has utilized all proceeds of the loan withdrawn from the Asian Development Bank only for purposes of the Project as agreed between the Republic of Armenia and the Asian Development Bank, in accordance with the loan agreement; and no proceeds of the loan have been utilized for other purposes;
- as of the reporting date the "Road Department" SNCO was in compliance with all financial covenants of the Loan Agreement number 2993-ARM.

In addition:

- (a) with respect to the statements of expenditures, adequate supporting documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred; and (b) expenditures are eligible for financing under Loan Agreement number 2993-ARM.
- (a) the advance account and the government co-financing accounts give a true and fair view of the receipts collected and payments made during the year ended 31 December 2019; and (b) these receipts and payments support advance account liquidations/replenishments during the year ended 31 December 2019.

### *Basis for Opinion*

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 “Road Department” SNCO 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 financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matters*

- We draw attention to note 2 to the project financial statements, which describes the basis of accounting. The project financial statements are prepared to assist the management of the “Road Department” SNCO to meet the requirements of the financial reporting of the Asian Development Bank. As a result, the project financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.
- We draw attention to note 10 to the project financial statements which describes the effect of a new disease COVID-19. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management for the Project Financial Statements*

Management of the “Road Department” SNCO is responsible for the preparation and fair presentation of the project financial statements in accordance with IPSAS *Financial Reporting Under the Cash Basis of Accounting*, the financial covenants of the Loan Agreement 2993-ARM and the Asian Development Bank guidelines, and for such internal control as management determines is necessary to enable the preparation of 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*

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 these 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 “Road Department” SNCO’s internal control.

- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

We communicate with the management, 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.

Armen Hovhannisyan  
Chief Executive Officer

Emil Vassilyan, FCCA  
Engagement Partner

4 December 2020



# Statement of the Project sources and uses of funds

In USD	Note	Actual				Budget		Variance	
		2019	As of 31 December 2019	2018	As of 31 December 2018	2019	As of 31 December 2019	2019	As of 31 December 2019
Opening balance of bank accounts	4	783,775		910,279					
Add: Financing									
ADB loan number 2993 - ARM	5	10,284,276	41,163,634	7,491,914	30,879,358				
Government co-financing	6	2,052,478	11,902,450	1,424,726	9,849,972				
Total financing		12,336,754	53,066,084	8,916,640	40,729,330				
Gain from exchange rate differences		7,293	14,924	1,517	7,631				
Less: Expenses									
ADB loan number 2993-ARM	7.1	(9,927,813)	(40,807,171)	(7,491,914)	(30,879,358)	(11,090,685)	(41,970,043)	(1,162,872)	(1,162,872)
Government co-financing	7.2	(1,948,579)	(11,022,407)	(1,552,747)	(9,073,828)	(2,879,140)	(11,952,968)	(930,561)	(930,561)
Total expenses		(11,876,392)	(51,829,578)	(9,044,661)	(39,953,186)	(13,969,825)	(53,923,011)	(2,093,433)	(2,093,433)
Closing balance of bank accounts	4	1,251,430		783,775					

The project financial statements were approved on 4 December 2020 by:

Stepan Machyan

Acting General Director

Marina Safaryan

Acting Head of Financial Management and  
Accounting Department, Chief Accountant

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 10 to 18.



# Advance account (USD) statement

Loan number 2993-ARM

In USD

	2019	2018
Balance at 1 January	-	-
Add:		
ADB funds	1,047,810	797,162
Total inflow	1,047,810	797,162
Less:		
Project expenses	(691,347)	(797,162)
Total outflow	(691,347)	(797,162)
Balance at 31 December	356,463	-

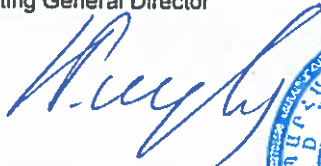
The project financial statements were approved on 4 December 2020 by:

Stepan Machyan

Marina Safaryan

Acting General Director

Acting Head of Financial Management and  
Accounting Department, Chief Accountant





This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 10 to 18.

# Government co-financing account (AMD) statement

Loan number 2993-ARM

In USD

	2019	2018
Balance at 1 January	1,951	6,655
Add:		
Government co-financing	2,054,429	1,431,369
Returned amount to budget	(1,951)	(6,643)
Total inflow	2,052,478	1,424,726
Gain from exchange rate differences	692	141
Less:		
Project expenses	(1,948,579)	(1,429,571)
Total outflow	(1,948,579)	(1,429,571)
Balance at 31 December	106,542	1,951

The project financial statements were approved on 4 December 2020 by:

Stepan Machyan

Marina Safaryan

Acting General Director

Acting Head of Financial Management and  
Accounting Department, Chief Accountant





This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 10 to 18.



# SOE withdrawal schedule

For the year ended 31 December 2019

Loan number 2993-ARM

In USD

No of withdrawal	Item	Contracts on Works, Goods, Consulting Services and Project Management Support	
		ADB percentage of financing*	Amount to be reimbursed
00099	2. Consulting Services	100%	2,912
	4. Project Management Support	100%	66,588
00104	2. Consulting Services	100%	8,894
	4. Project Management Support	100%	59,916
00105	4. Project Management Support	100%	69,500
00114	2. Consulting Services	100%	139,373
	4. Project Management Support	100%	60,627
Total			407,810

For the year ended 31 December 2018

No of withdrawal	Item	Contracts on Works, Goods, Consulting Services and Project Management Support	
		ADB percentage of financing*	Amount to be reimbursed
00078	1. Works	100%	891,231
	2. Consulting Services	100%	2,932
	3. Goods	100%	955
	4. Project Management Support	100%	74,882
00080	2. Consulting Services	100%	97,501
	4. Project Management Support	100%	54,348
00084	2. Consulting Services	100%	40,635
	4. Project Management Support	100%	110,481
00086	1. Works	100%	5,895
	2. Consulting Services	100%	86,579
	4. Project Management Support	100%	51,673
00090	2. Consulting Services	100%	53,598
	3. Goods	100%	39,990
	4. Project Management Support	100%	56,462
Total			1,567,162

\* Exclusive of taxes and duties imposed within the territory of the Republic of Armenia

The project financial statements were approved on 4 December 2020 by:

Stepan Machyan

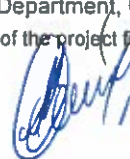
Acting General Director

Marina Safaryan

Acting Head of Financial Management and Accounting Department, Chief Accountant

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 10 to 18.





# Notes to the Project financial statements

## 1 Nature of operations and general information

The “Transport Project Implementation Organization” SNCO, which is the successor of State Agency “Transport Projects Implementation Unit” of the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia and “North-South Road Corridor Investment Project Implementation Organization” SNCO, was established as a State Non-Commercial Organization by the Government Decree No 1304-A of the Government of the Republic of Armenia dated 15 December 2016. According to the decree N1969- A dated 26 December 2019 of the RA Government, the “Transport Project Implementation Organization” SNCO was renamed to “Road Department” SNCO (the “Organization”).

The Organization implements the “North-South Road Corridor Investment Program - Project 3” (the “Project”), which is financed under the Loan Agreement 2993-ARM signed between the Government of the Republic of Armenia and the Asian Development Bank (the “ADB”) on 11 March 2014. The loan was declared effective on 24 July 2014.

The budget of the Project is as follows:

Loan number 2993-ARM

	In USD
ADB	100,000,000
RA Government	32,443,503
Total	132,443,503

The objective of the Project is to develop a subregional and national road transport network within the Republic of Armenia. Upon implementation, the Project will:

- a) facilitate efficient subregional road transport transit;
- b) increase trade flows and competitiveness;
- c) lower transport costs;
- d) increase mobility and accessibility to markets, jobs and social services;
- e) improve governance.

The Project comprises the following parts:

- Part A. Reconstruction of the two-lane road section between towns of Talin and Lanjik of approximately 18.7 kilometers and widening such section to a four-lane dual carriageway;
- Part B. Preparation and implementation of a long term road subsector plan and road asset management and road maintenance administration system;
- Part C. Preparation of feasibility study for Artashat-Kajaran section (304 km) of the North-South corridor; and
- Part D. Project implementation support and preparation of a subsequent tranche under the Project, including preparation of the related feasibility study and detailed engineering design.

The Project closing date is 31 December 2023.

The Project is mainly financed through the following categories:

Loan number 2993-ARM

Category			ADB Financing
Number	Item	Total Amount Allocated for ADB Financing (In USD)	Percentage and basis for withdrawal from the Loan Account
1	Works	65,000,000	100 percent of total expenditure*
2	Consulting Services	10,600,000	100 percent of total expenditure*
3	Goods	2,400,000	100 percent of total expenditure*
4	Project Management Support	3,400,000	100 percent of total expenditure*
5	Interest Charge and Commitment Charge	5,000,000	100 percent of amounts due
6	Unallocated	13,600,000	
	Total	100,000,000	

\* Exclusive of taxes and duties imposed within the territory of the Republic of Armenia.

The financing of land acquisition and resettlement within the scope of the Project is implemented from Government of Armenia sources.

The operating address of the Organization is Government House 3, Republic Square, Yerevan, Armenia.

During the reporting year the average number of the staff involved in the Project was 12 (2018` 14).

## 2 Significant accounting policies

### 2.1 Basis of preparation

The project financial statements have been prepared in accordance with IPSAS Financial Reporting Under the Cash Basis of Accounting. Under this basis of accounting financing is recognized when received rather than when earned and expenses are recognized when paid rather than when incurred. The project financial statements also comply with the Asian Development Bank guidelines (“Project Financial Management and Analysis”) and the covenants of the Loan number 2993-ARM.

### 2.2 Financing

The Project financing is recognized as such and included in the project financial statements only when suppliers are paid from the loan account for direct payment procedures. Advance account financing is recognized as such and included in the project financial statements only when the funds from the loan account are transmitted to the advance account opened in the State Treasury of the Republic of Armenia.

The amounts of the Government co-financing are recognized as such and included in the project financial statements when the funds are transmitted to the Project current account (the “Government co-financing account”), which is opened in the State Treasury of the Republic of Armenia.

## 2.3 Planned expenses

As of the end of the year “Planned Project Expenses” comprise the sum of the amount of “Actual Project Expenses” as of the end of the previous year and the annual budget expenses of the reporting year.

## 2.4 Expenses

The Project expenses are recognized as such and included in the project financial statements when the payment is made to suppliers of goods, works and/or services. The payments are made either directly from the Loan account or from the advance and Government co-financing accounts. The costs of fixed assets acquired are recognized as an expense in the Statement of Project sources and uses of funds. For certain users the cost of acquired fixed assets is disclosed in note 3.

## 2.5 Functional and presentation currency

The national currency of Armenia is the Armenian dram (“dram”), which is the Organization’s functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Organization.

These project financial statements are presented in US dollars (presentation currency).

Government co-financing amounts in Armenian drams and payments made from those amounts are converted into USD applying the exchange rate announced by the Central Bank of Armenia on the previous date of the transaction. For direct payments denominated in currency other than the functional currency to the contractor/consultant from the ADB share, the exchange rate set out for the presentation of the operation in the system LFIS (lfis.adb.org) is used.

In preparing the project financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange announced by the Central Bank of Armenia prevailing on the previous dates of the transactions. At the reporting date, monetary items denominated in AMD are retranslated into USD at the rate announced by the Central Bank of Armenia prevailing on that date, which is 479.7 Armenian drams for 1 US dollar as of 31 December 2019 (483.75 Armenian drams for 1 US dollar as of 31 December 2018).

## 3 Fixed assets

The fixed assets of the Project consist of property and equipment purchased for the needs of the Organization for the period of the Project implementation. The cost of fixed assets includes purchase price and other related acquisition costs which were financed from the ADB funds. The fixed assets actually used within the framework of the Project consist of the following:

In USD	For the year ended 31 December 2019	As of 31 December 2019	As of 31 December 2018
Computer software and equipment	-	21,010	21,010
Furniture	-	833	833
Other	-	687	687
	-	22,530	22,530

## 4 Bank accounts

The account balances of the Project are stated in the following table:

	As of 31 December 2019	
	In USD	In AMD
ADB advance account in USD	356,463	170,995,301
Government co-financing account in AMD	106,542	51,108,119
Bank account in AMD (account 15100-09017860800)	788,425	378,207,374
<b>Total</b>	<b>1,251,430</b>	<b>600,310,794</b>

	As of 31 December 2018	
	In USD	In AMD
Government co-financing account in AMD	1,951	943,620
Bank account in AMD (account 15100-09017860800)	781,824	378,207,374
<b>Total</b>	<b>783,775</b>	<b>379,150,994</b>

## 5 ADB financing

In USD	For the year ended 31 December 2019	As of 31 December 2019	For the year ended 31 December 2018	As of 31 December 2018
Loan number 2993-ARM				
Advance account	1,047,810	5,561,419	797,162	4,513,609
Direct payment	8,072,051	32,885,112	5,953,559	24,813,061
Interest charge	1,164,415	2,717,103	741,193	1,552,688
	<u>10,284,276</u>	<u>41,163,634</u>	<u>7,491,914</u>	<u>30,879,358</u>

## 6 Government co-financing

In USD	For the year ended 31 December 2019	As of 31 December 2019	For the year ended 31 December 2018	As of 31 December 2018
Government co-financing	2,054,429	9,474,491	1,431,369	7,420,062
Less: amount returned to budget	(1,951)	(8,686)	(6,643)	(6,735)
	<u>2,052,478</u>	<u>9,465,805</u>	<u>1,424,726</u>	<u>7,413,327</u>
Government co-financing, LARP financing	-	2,533,963	-	2,533,963
Less: amount returned to budget	-	(97,318)	-	(97,318)
	<u>-</u>	<u>2,436,645</u>	<u>-</u>	<u>2,436,645</u>
	<u>2,052,478</u>	<u>11,902,450</u>	<u>1,424,726</u>	<u>9,849,972</u>

## 7 Expenses

### 7.1 From ADB fund

In USD

Loan number 2993-ARM	For the year ended 31 December 2019			As of 31 December 2019		
	Actual	Budget	Variance	Actual	Budget	Variance
Works	6,623,793	7,399,242	(775,449)	29,077,540	29,852,989	(775,449)
Consulting Services	1,563,957	1,928,156	(364,199)	6,705,550	7,069,749	(364,199)
Goods	283,005	279,777	3,228	332,620	329,392	3,228
Project Management Support	292,643	319,095	(26,452)	1,974,358	2,000,810	(26,452)
Interest and Commitment charge	1,164,415	1,164,415	-	2,717,103	2,717,103	-
	9,927,813	11,090,685	(1,162,872)	40,807,171	41,970,043	(1,162,872)

Project Management Support is disclosed in the following table:

In USD	For the year ended 31 December 2019	As of 31 December 2019
Employee compensation	195,113	1,468,005
Rent expenses	72,415	334,235
Consultation expenses	12,600	54,020
Trip expenses	2,878	27,826
Machinery and equipment expenses	-	18,976
Office expenses	2,025	16,905
Communication expenses	667	12,049
Representation expenses	381	4,182
Other expenses	6,564	38,160
Total	292,643	1,974,358

In USD

Loan number 2993-ARM	For the year ended 31 December 2018			As of 31 December 2018		
	Actual	Budget	Variance	Actual	Budget	Variance
Works	4,771,138	5,454,445	(683,307)	22,453,747	23,137,054	(683,307)
Consulting Services	1,600,042	2,696,883	(1,096,841)	5,141,593	6,238,434	(1,096,841)
Goods	39,990	41,312	(1,322)	49,615	50,937	(1,322)
Project Management Support	339,551	384,467	(44,916)	1,681,715	1,726,631	(44,916)
Interest and Commitment charge	741,193	741,193	-	1,552,688	1,552,688	-
	7,491,914	9,318,300	(1,826,386)	30,879,358	32,705,744	(1,826,386)

Project Management Support is disclosed in the following table:

In USD	For the year ended 31 December 2018	As of 31 December 2018
Employee compensation	239,742	1,272,892
Rent expenses	72,538	261,820
Consultation expenses	10,991	41,420
Trip expenses	3,464	24,948
Machinery and equipment expenses	-	18,976
Office expenses	3,726	14,880
Communication expenses	305	11,382
Representation expenses	617	3,801
Other expenses	8,168	31,596
Total	339,551	1,681,715

## 7.2 From government co-financing amounts

In USD

Loan number 2993- ARM	For the year ended 31 December 2019			As of 31 December 2019		
	Actual	Budget	Variance	Actual	Budget	Variance
Works	1,460,812	2,107,446	(646,634)	7,708,516	8,355,150	(646,634)
Consulting Services	387,818	661,052	(273,234)	1,496,747	1,769,981	(273,234)
Land Acquisition and Resettlement	-	8,221	(8,221)	1,650,508	1,658,729	(8,221)
Goods	79,826	79,055	771	81,747	80,976	771
Project Management Support	20,123	23,366	(3,243)	84,889	88,132	(3,243)
	1,948,579	2,879,140	(930,561)	11,022,407	11,952,968	(930,561)

Project Management Support is disclosed in the following table:

In USD	For the year ended 31 December 2019	As of 31 December 2019
Rent expenses	14,721	54,883
Consultation expenses	4,248	17,511
Machinery and equipment expenses	-	3,460
Office expenses	109	2,825
Communication expenses	21	2,154
Representation expenses	49	234
Other expenses	975	3,822
Total	20,123	84,889

In USD

Loan number 2993- ARM	For the year ended 31 December 2018			As of 31 December 2018		
	Actual	Budget	Variance	Actual	Budget	Variance
Works	1,069,272	1,306,551	(237,279)	6,247,704	6,484,983	(237,279)
Consulting Services	340,176	354,825	(14,649)	1,108,929	1,123,578	(14,649)
Land Acquisition and Resettlement	123,176	-	123,176	1,650,508	1,527,332	123,176
Goods	-	-	-	1,921	1,921	-
Project Management Support	20,123	22,627	(2,504)	64,766	67,270	(2,504)
	<u>1,552,747</u>	<u>1,684,003</u>	<u>(131,256)</u>	<u>9,073,828</u>	<u>9,205,084</u>	<u>(131,256)</u>

Project Management Support is disclosed in the following table:

In USD	For the year ended 31 December 2018	As of 31 December 2018
Rent expenses	14,508	40,162
Consultation expenses	3,943	13,263
Machinery and equipment expenses	-	3,460
Office expenses	577	2,716
Communication expenses	20	2,133
Representation expenses	58	185
Other expenses	1,017	2,847
Total	<u>20,123</u>	<u>64,766</u>



## 8 Reconciliation between the amounts received by the Organization and disbursed by the ADB

Loan number 2993-ARM

For the year ended 31 December 2019

In USD	ADB	Organization	Difference
<b>Works</b>			
00095	357,335	357,335	-
00096	90,318	90,318	-
00097	786,701	786,701	-
00098	199,301	199,301	-
00100	375,513	375,513	-
00101	350,830	350,830	-
00106	3,380,250	3,380,250	-
00107	572,539	572,539	-
00110	407,647	407,647	-
00111	103,359	103,359	-
	<u>6,623,793</u>	<u>6,623,793</u>	<u>-</u>
<b>Consulting Services</b>			
00094	576,600	576,600	-
00099	2,912	2,912	-
00102	7,136	7,136	-
00103	11,236	11,236	-
00104	8,894	8,894	-
00108	38,440	38,440	-
00109	531,841	531,841	-
00114	139,373	139,373	-
	<u>1,316,432</u>	<u>1,316,432</u>	<u>-</u>
<b>Goods</b>			
00093	283,005	283,005	-
	<u>283,005</u>	<u>283,005</u>	<u>-</u>
<b>Project Management Support</b>			
00099	66,588	66,588	-
00104	59,916	59,916	-
00105	69,500	69,500	-
00114	60,627	60,627	-
	<u>256,631</u>	<u>256,631</u>	<u>-</u>
<b>Advance</b>			
00113	640,000	640,000	-
	<u>640,000</u>	<u>640,000</u>	<u>-</u>
Interest	<u>1,164,415</u>	<u>1,164,415</u>	<u>-</u>
Total	<u><u>10,284,276</u></u>	<u><u>10,284,276</u></u>	<u><u>-</u></u>

## 9 Project implementation

As of 31 December 2019 the financial progress of the Project was 41% (as of 31 December 2018: 30%) in the framework of the Loan Agreement. Meanwhile, the physical progress of the Project (Construction of Tranche 3) was only 29% (as of 31 December 2018: 21.5%).

## 10 Subsequent events

In March 2020 the World Health Organization has classified the coronavirus (COVID-19), which has exploded in China in December 2019, as pandemic. The impact of the coronavirus outbreak is unknown at this time. The developing situation with COVID-19 may have some impact on the continuity or the volume of the operations of the Organization as well as on the Project implementation. Since 16 March 2020 the Government of the Republic of Armenia announced a state of emergency in the country and has taken measures to mitigate the effects of the virus. These project financial statements do not reflect the potential effect of the above.