

# **Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA**

Financial Statements

**March 31, 2022**

(expressed in United States dollars)

# **Deployment of Cleaner Fuels and Renewable Energies in Barbados**

## **Loan No. 3843/OC-BA**

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**March 31, 2022**

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(expressed in United States dollars)

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## Independent auditor's report

To the Board of Directors of National Petroleum Corporation

### Our opinion

In our opinion, the financial statements of Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA (the Project) are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

### What we have audited

The Project's financial statements comprise:

- the statement of cash flows for the year ended March 31, 2022;
- the statement of cumulative investments for the year ended March 31, 2022;
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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 financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Project in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Project Execution Unit acting herein through the Ministry of Energy and Business Development (formerly the Ministry of Energy, Small Business and Entrepreneurship) to comply with the provisions of Loan Contract No. 3843/OC-BA between the Government of Barbados and the Inter-American Development Bank dated June 14, 2017. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the National Petroleum Corporation, as the executing agency and the Inter-American Development Bank as funding agency and should not be distributed to or used by parties other than the National Petroleum Corporation and the Inter-American Development Bank. Our opinion is not modified in respect of this matter.



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

Management is responsible for the preparation of the financial statements in accordance with the accounting policies described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

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## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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.



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.

*PricewaterhouseCoopers SRH*

Bridgetown, Barbados  
July 29, 2022

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

## Statement of Cash Flows

For the year ended March 31, 2022

(expressed in United States dollars)

	Year ended March 31, 2022			Year ended March 31, 2021		
	IDB	Government	Total	IDB	Government	Total
	\$	of Barbados	\$	\$	of Barbados	\$
		(GOB)			(GOB)	
		\$	\$		\$	\$
<b>Cash received</b>						
Cumulative balance as at beginning of the year						
- as previously reported	12,632,493	381,614	13,014,107	7,981,597	277,008	8,258,605
Adjustments (note 10)	—	29,536	29,536	—	8,362	8,362
Cumulative balance as at beginning of the year - restated	<b>12,632,493</b>	<b>411,150</b>	<b>13,043,643</b>	7,981,597	285,370	8,266,967
<b>Activity during the year</b>						
- Disbursement 10 - Direct Payment	—	—	—	302,984	—	302,984
- Disbursement 11 - Direct Payment	—	—	—	145,495	—	145,495
- Disbursement 12 - Advance	—	—	—	4,202,417	—	4,202,417
- Disbursement 13 - Direct Payment	568,361	—	568,361	—	—	—
- Disbursement 14 - Direct Payment	197,699	—	197,699	—	—	—
- Disbursement 15 - Direct Payment	454,476	—	454,476	—	—	—
- Disbursement 16 - Direct Payment	859,377	—	859,377	—	—	—
- Disbursement 17 - Direct Payment	454,476	—	454,476	—	—	—
- Disbursement 18 - Direct Payment	156,962	—	156,962	—	—	—
- Disbursement 19 - Direct Payment	332,809	—	332,809	—	—	—
- Other NPC contribution	—	422,396	422,396	—	125,528	125,528
- Other bid revenues	—	1,174	1,174	—	252	252
<b>Total cash received</b>	<b>15,656,653</b>	<b>834,720</b>	<b>16,491,373</b>	12,632,493	411,150	13,043,643

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

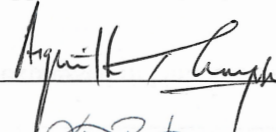

Statement of Cash Flows ...continued

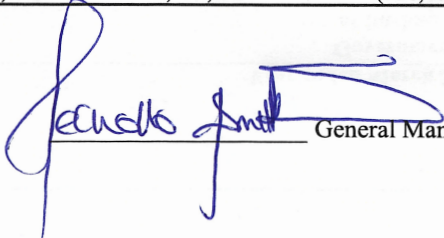
For the year ended March 31, 2022

(expressed in United States dollars)

	Year ended March 31, 2022			Year ended March 31, 2021		
	IDB	Government of Barbados (GOB)	Total	IDB	Government of Barbados (GOB)	Total
	\$	\$	\$	\$	\$	\$
<b>Disbursements made</b>						
Cumulative balance as at beginning of the year						
- as previously reported	8,378,369	742,019	9,120,388	4,951,374	581,263	5,532,637
Adjustments (note 10)	2,001	27,535	29,536	2,001	6,361	8,362
Cumulative balance as at beginning of the year - restated	<b>8,380,370</b>	<b>769,554</b>	<b>9,149,924</b>	4,953,375	587,624	5,540,999
<b>Activity during the year:</b>						
- Payments for goods and services justified during the year (note 5)	—	—	—	2,485,142	—	2,485,142
Advances pending justification	1,173,932	—	1,173,932	493,374	—	493,374
- Disbursement 10 - Direct Payment	—	—	—	302,984	—	302,984
- Disbursement 11 - Direct Payment	—	—	—	145,495	—	145,495
- Disbursement 13 - Direct Payment	568,361	—	568,361	—	—	—
- Disbursement 14 - Direct Payment	197,699	—	197,699	—	—	—
- Disbursement 15 - Direct Payment	454,476	—	454,476	—	—	—
- Disbursement 16 - Direct Payment	859,377	—	859,377	—	—	—
- Disbursement 17 - Direct Payment	454,476	—	454,476	—	—	—
- Disbursement 18 - Direct Payment	156,962	—	156,962	—	—	—
- Disbursement 19 - Direct Payment	332,809	—	332,809	—	—	—
- Other GOB - payments of goods and services	—	21,815	21,815	—	25,503	25,503
- Non-eligible expenses	—	36,827	36,827	—	156,427	156,427
<b>Total cash disbursements</b>	<b>12,578,462</b>	<b>828,196</b>	<b>13,406,658</b>	<b>8,380,370</b>	<b>769,554</b>	<b>9,149,924</b>
<b>Available cash as of end of year</b>	<b>3,078,191</b>	<b>6,524</b>	<b>3,084,715</b>	<b>4,252,123</b>	<b>(358,404)</b>	<b>3,893,719</b>

Approved on July 29, 2022

 Chairman, Board of Directors NPC  
 Project Manager

 General Manager (A.g.), NPC

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments

For the year ended March 31, 2022

(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
<b>1.0</b>	<b>NG Infrastructure</b>									
1.1.1.1	Acquisition and Installation of ArcGIS Desktop Software and Maintenance Agreement (3 years)	27,433	—	27,433	—	—	—	27,433	—	27,433
1.1.1.2	Acquisition and Installation of GIS Enterprise and ArcPad Software and Maintenance Agreement (3 years)	33,899	—	33,899	—	—	—	33,899	—	33,899
1.1.1.3	Acquisition of GIS/GNSS Equipment & Software	123,206	—	123,206	—	—	—	123,206	—	123,206
1.1.1.5	Acquisition of Consultancy for the Design, Installation and Implementation of an Enterprise Geographic Information System	—	—	—	—	—	—	—	—	—
1.1.2.1	Acquisition and Installation of Servers for Virtualisation, Related Software and Networking Equipment	302,884	—	302,884	—	—	—	302,884	—	302,884
1.1.2.2	Acquisition and Installation of SCADA System	1,514,872	—	1,514,872	908,951	—	908,951	2,423,823	—	2,423,823
1.1.2.3	Acquisition and Installation of Document Management System (DMS)	104,746	—	104,746	18,485	—	18,485	123,231	—	123,231
1.1.2.4	Acquisition and Installation of Emergency Monitoring System for Lone Workers	26,200	—	26,200	—	—	—	26,200	—	26,200
	<b>Carried forward</b>	2,133,240	—	2,133,240	927,436	—	927,436	3,060,676	—	3,060,676



# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments ...continued

For the year ended March 31, 2022

(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
	<b>Brought forward</b>	2,133,240	—	2,133,240	927,436	—	927,436	3,060,676	—	3,060,676
1.1.2.5	Acquisition of Mobile Solutions for Field Workers	—	—	—	—	—	—	—	—	—
1.1.3.1	Acquisition of Ultrasonic NG Meters	160,084	—	160,084	—	—	—	160,084	—	160,084
1.1.3.2	Acquisition and Installation of Meter Calibration Provers	—	—	—	75,752	—	75,752	75,752	—	75,752
1.3.1.1	Execution of Electrical and Civil Upgrades Required at the NG Plant	—	—	—	—	—	—	—	—	—
1.4.1.1	Acquisition of On Road Distribution Fleet (Megapower)	250,153	—	250,153	2,400	—	2,400	252,553	—	252,553
1.4.1.1	Acquisition of On Road Distribution Fleet (Simpson)	494,006	—	494,006	29,590	—	29,590	523,596	—	523,596
	<b>Carried forward</b>	3,037,483	—	3,037,483	1,035,178	—	1,035,178	4,072,661	—	4,072,661

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments ...continued

For the year ended March 31, 2022

(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
	<b>Brought forward</b>	3,037,483	—	3,037,483	1,035,178	—	1,035,178	4,072,661	—	4,072,661
1.5.1.1	Acquisition of Polyethylene Pipes, Fittings, Appurtenances and Equipment	—	—	—	663,135	—	663,135	663,135	—	663,135
1.5.1.2	Acquisition of Polyethylene Pipes and Fittings for Highway 1	99,859	—	99,859	—	—	—	99,859	—	99,859
1.5.1.3	Procurement of Line Tamer Operation Training	—	—	—	5,810	—	5,810	5,810	—	5,810
1.5.2.1.1	Infrastructural Replacement for Component B work package	—	—	—	—	—	—	—	—	—
1.5.2.1.2	Infrastructural Replacement for Component A work package	—	—	—	—	—	—	—	—	—
1.5.2.2	Pipeline Replacement and Live Connections	—	—	—	—	—	—	—	—	—
1.5.3.1	Acquisition of Consulting Firm for Supervisory Services - NG Infrastructural Replacement	—	—	—	—	—	—	—	—	—
<b>2.0</b>	<b>Smart Energy Solutions</b>									
2.1.1.1	Design, Acquisition & Installation of Renewable Energy Systems (PVs)	3,068,112	—	3,068,112	2,072,377	—	2,072,377	5,140,489	—	5,140,489
	<b>Carried forward</b>	6,205,454	—	6,205,454	3,776,500	—	3,776,500	9,981,954	—	9,981,954

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments ...continued

For the year ended March 31, 2022

(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
	<b>Brought forward</b>	6,205,454	—	6,205,454	3,776,500	—	3,776,500	9,981,954	—	9,981,954
2.1.2.1	Design, Acquisition & Installation of a Renewable Energy Systems Solution at Barbados National Terminal Company Limited (BNTCL)	—	—	—	—	—	—	—	—	—
2.2.1.1	Acquisition and Installation of Compressors (2) for NG Plant	—	—	—	—	—	—	—	—	—
2.2.2.1	Acquisition and Installation Energy Efficient (EE) Lights & Smart System	—	—	—	—	—	—	—	—	—
2.3.1.1	Acquisition of Consultancy Services to Prepare a Technical Feasibility Study for a Wind Turbine Facility in Barbados	110,255	—	110,255	—	—	—	110,255	—	110,255
<b>3.0</b>	<b>Technical Advisory Services</b>									
3.1.1.1	Completing Operational Audits (Review NG Processing, Distribution and Accounting Systems) for NPC/BNOC	395,062	—	395,062	—	—	—	395,062	—	395,062
3.1.1.3	Acquisition of Consultancy Services for the Implementation of Employee Integration Programmes for the Newly Formed Company	5,185	—	5,185	—	—	—	5,185	—	5,185
	<b>Carried forward</b>	6,715,956	—	6,715,956	3,776,500	—	3,776,500	10,492,456	—	10,492,456

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments ...continued

For the year ended March 31, 2022

(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
	<b>Brought forward</b>	6,715,956	—	6,715,956	3,776,500	—	3,776,500	10,492,456	—	10,492,456
3.1.1.4	Acquisition of Consultancy Services for the Development of Quality Management System (QMS) - ISO Consultation	—	—	—	—	—	—	—	—	—
3.1.1.5	Acquisition of Consultancy Services for ISO Certification (NPC/BNOCL Staff)	—	—	—	—	—	—	—	—	—
3.2.1.1	Acquisition of Training Services on the ERP Software SAP	—	—	—	—	—	—	—	—	—
3.2.1.2	Acquisition of Training Services on the ERP Software KRONOS	—	—	—	—	—	—	—	—	—
<b>4.0</b>	<b>Project Evaluation</b>									
4.1.1.1	Acquisition of Consultant for Midterm Evaluation	5,620	—	5,620	23,180	—	23,180	28,800	—	28,800
4.1.1.2	Acquisition of Consultant for Final Evaluation	—	—	—	—	—	—	—	—	—
	<b>Carried forward</b>	6,721,576	—	6,721,576	3,799,680	—	3,799,680	10,521,256	—	10,521,256

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments ...continued

For the year ended March 31, 2022

(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
	<b>Brought forward</b>	6,721,576	—	6,721,576	3,799,680	—	3,799,680	10,521,256	—	10,521,256
<b>5.0</b>	<b>Management &amp; Monitoring</b>									
5.1.1	Laptops with Docking Stations	24,616	—	24,616	—	—	—	24,616	—	24,616
5.1.2	Printer/Scanner/Other Equipment	2,154	—	2,154	—	—	—	2,154	—	2,154
5.1.3	Software	460	—	460	—	—	—	460	—	460
5.2.1	Office Desks & Workstations	5,662	—	5,662	—	—	—	5,662	—	5,662
5.2.2	Office Chairs & Fittings	4,805	—	4,805	—	—	—	4,805	—	4,805
5.3	Office Supplies	4,731	—	4,731	—	—	—	4,731	—	4,731
5.4.1.1	Acquisition of External Financial Auditor	33,062	—	33,062	16,531	—	16,531	49,593	—	49,593
5.4.2.1	Acquisition of External Financial Auditor for Final Audit	—	—	—	—	—	—	—	—	—
5.5	PEU Staff	1,582,687	120,029	1,702,716	372,881	21,815	394,696	1,955,568	141,844	2,097,412
	<b>Carried forward</b>	8,379,753	120,029	8,499,782	4,189,092	21,815	4,210,907	12,568,845	141,844	12,710,689

# Deployment of Cleaner Fuels and Renewable Energies in Barbados Loan No. 3843/OC-BA

Statement of Cumulative Investments ...continued

For the year ended March 31, 2022

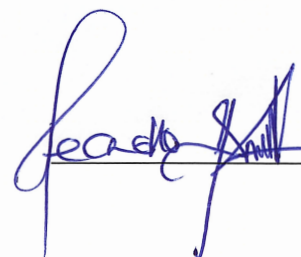
(expressed in United States dollars)

		As at end of year March 31, 2021 (restated)			Movement during year 2022			As at end of year March 31, 2022		
	Investment categories	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
	<b>Brought forward</b>	8,379,753	120,029	8,499,782	4,189,092	21,815	4,210,907	12,568,845	141,844	12,710,689
5.6.1	Online Training Course in Risk and Change Management	1,140	—	1,140	—	—	—	1,140	—	1,140
5.6.2	Innoprise Professional Services - Financial Application	—	—	—	1,800	—	1,800	1,800	—	1,800
5.7.2	Advertising bids and Subscriptions	887	—	887	—	—	—	887	—	887
5.8.1.1	Acquisition of Consultant for Project Management Services	—	—	—	7,200	—	7,200	7,200	—	7,200
	<b>TOTAL</b>	<b>8,381,780</b>	<b>120,029</b>	<b>8,501,809</b>	<b>4,198,092</b>	<b>21,815</b>	<b>4,219,907</b>	<b>12,579,872</b>	<b>141,844</b>	<b>12,721,716</b>

Approved on July 29, 2022

 Chairman, Board of Directors NPC

 Project Manager

 General Manager (A.g.), NPC

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Reconciliation between the Statement of Cash Flows and Statement of Cumulative Investments  
For the year ended March 31, 2022

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(expressed in United States dollars)

				US \$
<b>Current period</b>				
Disbursements Made as per Statement of Cash Flows				<b>13,406,658</b>
<b>Less: Reconciling items:</b>				
Non-eligible expenses				<b>(684,942)</b>
<b>Disbursements as per Statement of Cumulative Investments</b>				<b>12,721,716</b>

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Reconciliation between the Program's Records and IDB's Records

For the year ended March 31, 2022

(expressed in United States dollars)

CATEGORY	Cumulative Balance as per:		Variance	Explanation for Variances
	Program's Records (Statement of Cumulative Investments)	IDB's Records (OPS1-Summary Executive Report)		
<b>Component 1 - NG Infrastructure</b>	4,841,465	4,433,299	408,166	This variance comprises of \$413,515 for expenditure incurred but not yet justified and \$5,349 for amounts over-reimbursed or justified on disbursement requests no. 1, 3, and 5.
<b>Component 2 - Smart Energy Solutions</b>	5,250,744	4,763,067	487,677	This variance relates to expenditure incurred but not yet justified.
<b>Component 3 - Technical Advisory Services</b>	400,247	276,543	123,704	This variance relates to expenditure incurred but not yet justified.
<b>Component 4 - Project Evaluation</b>	28,800	—	28,800	This variance relates to expenditure incurred but not yet justified.
<b>Component 5 - Project Management and Monitoring</b>	2,058,616	1,410,070	648,546	This variance comprises of \$658,230 for expenditure incurred but not yet justified and \$9,684 for amounts over-reimbursed or justified on disbursement requests no. 1, 3, and 5.
<b>Totals</b>	<b>12,579,872</b>	<b>10,882,979</b>	<b>1,696,893</b>	



# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

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(expressed in United States dollars)

### 1 Project description

#### Financing

On June 14, 2017 the Government of Barbados (The Borrower) entered into an agreement with the Inter-American Development Bank (IDB) for a loan of US\$34.0 million to finance the Deployment of Cleaner Fuels and Renewable Energies in Barbados project (the Project).

The Borrower will pay interest on the daily outstanding balances of the Loan at a rate per annum for each semester, as determined by the Cost of Single Currency Facility Loan with Libor-Based Interest Rate. The IDB notifies the Borrower of the rate of interest applicable. As at year end the interest rate was 1.31% (2021 - 1.29%).

A credit fee of not more than 0.75% per annum is payable on the principal amount of the loan not withdrawn. This fee is payable on June 15 and December 15 each year.

Interest is payable semi-annually on June 15, and December 15, each year. Interest fees on the loan are the responsibility of the Borrower.

#### Principal activities

The Project consists of three components oriented as follows:

#### I. Objective

- 1.01** The objective of the Project is to enhance Barbados' energy security and sustainability by diversifying its energy matrix through promoting the use of cleaner fuels for power generation and increasing the use of Renewable Energy (RE) sources. Specific objectives include: (i) to upgrade existing Natural Gas (NG) infrastructure to ensure NG service continuity; (ii) to increase Energy Efficiency (EE)/RE applications within the National Petroleum Corporation (NPC) and Barbados National Oil Company Limited (BNOCL) operations to reduce Greenhouse Gas (GHG) emissions; (iii) to enable implementation of a Public Private Partnership (PPP) project to import and supply Liquefied Natural Gas (LNG) for power generation; and (iv) to provide technical support to NPC and BNOCL to foster organisational and operational efficiency.

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

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(expressed in United States dollars)

### 1 Project description ...continued

#### Principal activities ...continued

#### II. Description

- 2.01** To achieve the objective indicated in paragraph 1.01 above, the Project comprises the following components:

##### **Component 1. NG Infrastructure**

- 2.02** Subcomponent 1.1. This subcomponent will finance activities to upgrade existing NG infrastructure and information systems, including: (i) developing a geographic information system of NPC's network; (ii) updating the Supervisory Control and Data Acquisition of NG processing and distribution; (iii) meter replacement/upgrade plan; (iv) modernisation of on-road distribution fleet; and (v) replacement, realignment and installation of NG pipelines for transmission and distribution and upgrade of NG distribution stations.

##### **Component 2: Smart Energy Solutions**

- 2.03** This component will finance solutions to increase EE and the use of RE in NPC-BNOCL facilities, including: (i) installation of Photovoltaic (PV) and/or smart systems, including energy storage in NPC-BNOCL operational facilities; (ii) conversion of compressors from NG to electricity produced by solar PV or wind power plus plant retrofits; (iii) installation of at least 850 kW of wind power or additional solar PV; and (iv) installation of EE and/or RE equipment in administrative buildings.

##### **Component 3: Technical Advisory Services**

- 2.04** This component will finance consultancy services to: (i) provide training to NPC and BNOCL, in areas including: quantification of gross and net GHG emissions projects; and (ii) develop studies for improving: (a) corporate governance, environmental, legal and regulatory functions; (b) quality management systems; and (c) information technology applications to monitor and control the NG supply chain.

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

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(expressed in United States dollars)

### 1 Project description ...continued

Principal activities ...continued

### III. Financing Plan

- 3.01** The cost of this operation is United States thirty-four million dollars (US\$34,000,000) and it will be financed with resources of the Ordinary Capital of the Bank. The disbursement allocation was amended by the Government of Barbados in a cabinet meeting held on July 9, 2020. The revised allocations and original allocations are set out below.

#### Cost and financing

Component	Revised allocations IDB (OC Loan) \$	Original allocations IDB (OC loan) \$
Component 1. NG Infrastructure	12,641,291	25,025,000
Component 2. Smart Energy Solutions	16,854,459	3,350,000
Component 3. Technical Advisory Services	951,852	4,050,000
Project Evaluation	75,000	75,000
Project Management and Monitoring	3,477,398	1,500,000
<b>Total</b>	<b>34,000,000</b>	<b>34,000,000</b>

### IV. Project Execution

The Project is being executed by the National Petroleum Corporation through its Project Execution Unit (PEU), which is responsible for the overall financial management and implementation of the Project.

The original disbursement period of the Project runs from June 14, 2017 for six years until June 14, 2023.

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 2 Significant accounting policies

#### a) Basis of preparation

The financial statements have been prepared using the cash basis of accounting recognising revenue when the cash is received and recognising expenses when they are paid. The accounting policy differs from the accrual basis of accounting under which transactions should be recorded when they occur and not when they are paid.

#### b) Foreign currency translation

The Project's accounting records are maintained in Barbados dollars. In order to calculate the equivalent U.S dollars, the cash received in local currency in the Project's bank accounts is converted using the rate of exchange in effect at the time of receipt of these funds. The exchange rate gain or loss that results from a difference of the exchange rate when the funds are received versus when the funds are converted to local currency to make eligible payments is accounted for as an exchange rate differential, which is charged to the GOB.

These financial statements have been translated to U.S dollars using an exchange rate of BDS\$2.025 to U.S \$1.

### 3 Available cash balance

The available cash balance as at March 31 is as follows:

	2022 \$	2021 \$
Scotiabank	3,084,715	3,893,719
Central Bank of Barbados	—	—
	<b>3,084,715</b>	<b>3,893,719</b>

The available cash balance per the Central Bank of Barbados account is as follows:

	2022 \$	2021 \$
Advances to Central Bank of Barbados Special Deposit Account No. 243641	—	4,202,417
Balance transferred to the Scotiabank account	—	(4,202,417)
Closing balance	—	—

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 4 Advances pending justification

At March 31, 2022, the amount pending justification to the IDB amounts to US\$1,771,926, which represents advance of funds received and expenditure incurred not yet been submitted to the IDB for justification. The total advance of funds as at March 31, 2022 amounts to \$4,773,674. The balance of the advance of funds remaining as at March 31, 2022 is \$3,061,748.

	Description	2022 \$
<b>Total Advance of Funds (note 5)</b>		<b>4,773,674</b>
<b>Advances Pending Justification</b>		
1.1.2.3	Acquisition and Installation of Document Management System (DMS)	36,969
1.1.2.4	Acquisition and Installation of Emergency Monitoring System for Lone Workers	26,200
1.1.3.2	Acquisition and Installation of Meter Calibration Provers	75,752
1.4.1.1	Acquisition of On Road Distribution Fleet (Vehicles)	39,130
1.4.1.1	Acquisition of On Road Distribution Fleet (Vehicles)	17,140
1.5.1.1	Acquisition of Polyethylene Pipes, Fittings, Appurtenances and Equipment	132,627
1.5.1.2	Acquisition of Polyethylene Pipes and fittings for Highway 1	79,887
1.5.1.3	Procurement of Line Tamer Operation Training	5,810
2.1.1.1	Design, Acquisition and Installation of a Renewable Energy Systems (PVs)	487,677
3.1.1.1	Completing Operational Audits (Review NG Processing, Distribution and Accounting Systems) for NPC/BNOCL	118,519
3.1.1.3	Consultancy Services for the Implementation of Employee Integration Programmes for Newly Formed Company	5,185
4.1.1.1	Acquisition of Consultant for Midterm Evaluation	28,800
5.4.1.1	Acquisition of an External Financial Auditor	33,543
5.5	PEU Staff	614,547
5.6.1	Training/Certification of PEU staff, affiliated training cost (rental of venue, catering, rental of equipment, etc.)	1,140
5.6.2	Innoprise Professional Services - Financial Application	1,800
5.8.1.1	Acquisition of Consultant for Project Management Services	7,200
<b>Total Advances Pending Justification</b>		<b>1,711,926</b>
<b>Total Advance of Funds Remaining</b>		<b>3,061,748</b>

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 4 Advances pending justification, continued

The difference between the total advance of funds remaining, and the available cash in the statement of cash flows and note 3 is as follows:

<b>Reconciliation of Advance of Funds Remaining and Available cash balance (note 3)</b>	<b>2022</b>
	<b>\$</b>
<b>Total Advance of Funds Remaining</b>	<b>3,061,748</b>
<i>Reconciling items:</i>	
Amounts attributable to NPC comprising cash contribution, bid receipts, VAT, exchange rate differences, and under reimbursement on disbursement request no. 1	7,932
Amounts over reimbursed on disbursement request no. 1	7,780
Amounts over justified on disbursement request no. 3 and 5	7,255
<b>Total reconciling items</b>	<b>22,967</b>
<b>Available cash balance (note 3)</b>	<b>3,084,715</b>

### 5 Advances and justification

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening balance of advances	<b>4,773,674</b>	3,221,321
Advances recorded and justified:		
Disbursement request no. 9 - Justification of advance of funds (i)	—	(2,650,064)
Advances received:		
Disbursement request no. 12 - Advance of funds	—	4,202,417
Closing balance of advances	<b>4,773,674</b>	4,773,674

- (i) Disbursement request no. 9 - Justification of advance of funds comprised \$2,485,142 of funds disbursed during the financial year ended March 31, 2021. \$164,922 of the funds justified on disbursement request no. 9 related to advances pending justification from March 31, 2020.

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 6 Disbursements and investment categories

During the year ended March 31, 2022, the total IDB disbursements per the Statement of Cash Flows was \$3,024,160. These disbursements for the year ended March 31, 2022 are represented by the following investment categories:

Investment categories		Disbursement Request No.						
		13	14	15	16	17	18	19
		\$	\$	\$	\$	\$	\$	\$
<b>1.0</b>	<b>NG Infrastructure</b>							
1.1.2.2	Acquisition and installation of SCADA System	–	–	454,476	–	454,476	–	–
1.5.1.1	Acquisition of polyethylene pipe, fittings, appurtenances and equipment	–	197,699	–	–	–	–	332,809
<b>2.0</b>	<b>Smart Energy Solutions</b>							
2.1.1.1	Design, acquisition and installation of renewable energy systems	568,361	–	–	859,377	–	156,962	–
<b>Total</b>		<b>568,361</b>	<b>197,699</b>	<b>454,476</b>	<b>859,377</b>	<b>454,476</b>	<b>156,962</b>	<b>332,809</b>
<b>Total IDB disbursements excluding advances pending justification</b>		<b>3,024,160</b>						

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 7 Procurement of goods and services

During the financial year ended March 31, 2022, contracts for provision of goods and services and purchase orders totalling \$5,114,745 were procured. The total value of contracts in execution and purchase orders as at March 31, 2022 was \$18,142,819.

NO.		Good/Services	Consultant/ Company	Agreement	Cost \$	Start Date	Status
<b>New contracts procured for goods/works &amp; consultancies during financial year ended March 31, 2022</b>							
1	1.1.1.5	Acquisition of Consultancy Services for The Design, Installation and Implementation of an Enterprise Geographic Information System	Spatial Innovision Limited	Contract	182,345	11-Nov-21	Ongoing
2	1.5.1.1	Acquisition of Polyethylene Pipes, Fittings, Appurtenances and Equipment	Traeger Brothers & Associates Inc.	Contract	663,135	18-May-21	Completed
3	1.5.1.3	Procurement of Line Tamer Operation Training	McElroy	Purchase Order	5,810	6-Jan-22	Completed
4	1.5.2.1.1	Procurement of Civil Works Contractor for the Infrastructural Replacement Works - Component B works package	Arthur Construction Inc.	Contract	1,863,130	3-Mar-22	Ongoing
5	1.5.2.1.2	Procurement of Civil Works Contractor for the Infrastructural Replacement Works - Component A works package	C.O. Williams Construction Limited	Contract	1,537,250	22-Mar-22	Ongoing
6	1.5.3.1	Acquisition of Consulting Firm for Supervisory Services - NG Infrastructural Replacement	Stantec Consulting Caribbean Ltd.	Contract	675,601	21-Feb-22	Ongoing
7	5.5	Project Execution Unit - Salaries	Various Individual Consultants	Contract	171,174	8-Jul-21	Ongoing
8	5.6.2	Innoprise Professional Service	Harris ERP	Purchase Order	1,800	9-Feb-22	Completed
9	5.8.1.1	Acquisition of Consultant for Project Management Services	Marisol Carías	Contract	14,500	8-Oct-21	Ongoing
<b>Total new contracts procured for goods/works and consultancies during financial year ended March 31, 2022</b>					<b>5,114,745</b>		



# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 7 Procurement of goods and services ...continued

NO.		Good/Services	Consultant/ Company	Agreement	Cost \$	Start Date	Status
<b>Contracts procured for goods/works and consultancies in prior periods ongoing or completed</b>							
10	1.1.2.2	Acquisition & Installation of a SCADA System	Control Technologies Limited	Contract	3,029,837	30-Oct-19	Ongoing
11	1.1.2.3	Acquisition and Installation of Document Management System (DMS)	Productive Business Solutions Technologies (Barbados) Limited	Purchase Order	123,231	7-May-18	Completed
12	1.1.3.2	Acquisition and Installation of Meter Calibration Provers	Flow Measurement Specialties Limited	Contract	216,434	14-Feb-21	Ongoing
13	1.4.1.1	Acquisition of an On Road Distribution Fleet (Vehicles)	Simpson Motors Limited	Contract	572,915	20-Aug-19	Ongoing
14	1.4.1.1	Acquisition of an On Road Distribution Fleet (Vehicles)	Megapower Limited	Contract	256,552	20-Aug-19	Ongoing
15	2.1.1.1	Design, Acquisition and Installation of Renewable Energy Systems (PVs)	Gamma Solutions S.L.	Contract	6,958,309	19-Feb-19	Ongoing
16	2.3.1.1	Consultancy Services to Prepare a Technical Feasibility Study for a Wind Turbine Facility in Barbados	Barlovento Recursos Naturales	Contract	551,275	29-Aug-19	Ongoing
17	3.1.1.3	Consultancy Services for the Implementation of Employee Integration Programmes for Newly Formed Company	G & A Communications Inc	Contract	51,852	6-Jan-20	Ongoing
18	4.1.1.1	Acquisition of Consultant for Midterm Evaluation	Mr. Fernando Anaya	Contract	28,800	21-Dec-20	Completed
19	5.4.1.1	Acquisition of External Financial Auditor	PricewaterhouseCoopers SRL	Contract	82,654	29-May-19	Ongoing
20	5.5	Project Execution Unit - Salaries	Various Individual Consultants	Contract	888,361	1-Jan-19	Ongoing
21	5.5	Project Execution Unit - Salaries	Various Individual Consultants	Contract	267,854	1-Jul-19	Completed
<b>Total contracts procured for goods/works and consultancies in prior periods ongoing or completed</b>					<b>13,028,074</b>		
<b>Total contracts procured for goods/works and consultancies as at March 31, 2022</b>					<b>18,142,819</b>		

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

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(expressed in United States dollars)

### 8 Reconciliation between the statement of cash flows and the statement of cumulative investments

#### i) IDB Funds

The extent of the funds disbursed by IDB was as follows:

	2022 \$	2021 \$
Balance at beginning of year	12,632,493	7,981,597
Disbursements requested	3,024,160	4,650,896
<b>Balance at end of year per the statement of cash flows</b>	<b>15,656,653</b>	<b>12,632,493</b>

#### *Reconciliation of IDB disbursements to statement of cumulative investments*

	2022 \$	2021 \$
IDB disbursements per the statement of cash flows	12,578,462	8,380,370
<b>Reconciling items:</b>		
Amount reimbursable to GOB from disbursement request no. 1	1,410	1,410
<b>Amount of IDB funds per the statement of cumulative investments</b>	<b>12,579,872</b>	<b>8,381,780</b>

#### ii) GOB funds

The extent of funds contributed by GOB was as follows:

	2022 \$	2021 \$
Balance at beginning of year	411,150	285,370
Received during the year	423,570	125,780
<b>Balance at end of year per the statement of cash flows</b>	<b>834,720</b>	<b>411,150</b>

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

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(expressed in United States dollars)

### 8 Reconciliation between the statement of cash flows and the statement of cumulative investments ...continued

#### ii) GOB funds ...continued

##### *Reconciliation of GOB disbursements to statement of cumulative investments*

	2022 \$	2021 \$
GOB disbursements per the statement of cash flows	828,196	769,554
<b>Reconciling items:</b>		
Non-eligible expenses	(684,942)	(648,115)
Amount reimbursable to GOB from disbursement request no. 1	(1,410)	(1,410)
<b>Amount of GOB funds per statement of cumulative investments</b>	<b>141,844</b>	120,029

### 9 Non-eligible expenses

	2022 \$	2021 \$
Bank charges	11,690	92
Foreign exchange fees	12,440	17,821
Loss on foreign exchange	971	54,473
VAT and other indirect taxes	11,726	84,041
<b>Total</b>	<b>36,827</b>	156,427

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 10 Prior-period adjustments

The following adjustments have been made to improve the presentation of information previously presented in the prior years' financial statements:

#### *Statement of Cash Flows*

	Year ended March 31, 2021 (previously reported)		Adjustments		Year ended March 31, 2021 (restated)	
	IDB	GOB	IDB	GOB	IDB	GOB
<b>Cash received</b>	\$	\$	\$	\$	\$	\$
Cumulative balance as at the beginning of the year	—	277,008	—	8,362	—	285,370
- Other NPC contributions	—	104,359	—	21,169	—	125,528
- Other bid revenues	—	247	—	5	—	252
<b>Total cash received</b>	—	<b>381,614</b>	—	<b>29,536</b>	—	<b>411,150</b>
<b>Disbursements made</b>						
Cumulative balance at the beginning of the year	4,951,374	581,263	2,001	6,361	4,953,375	587,624
- Disbursement 9 - Justification/payments for goods and services justified during the year	2,458,966	—	26,176	—	2,485,142	—
Advances pending justification	519,550	—	(26,176)	—	493,374	—
- Non-eligible expenses	—	135,253	—	21,174	—	156,427
<b>Total cash disbursements</b>	<b>7,929,890</b>	<b>716,516</b>	<b>2,001</b>	<b>27,535</b>	<b>7,931,891</b>	<b>744,051</b>

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 10 Prior-period adjustments ...continued

#### Statement of Cumulative Investments

		As at end of year March 31, 2021 (previously reported) \$	Adjustments \$	As at end of year March 31, 2021 (restated) \$
1.1.1.1	Acquisition and Installation of ArcGIS Desktop Software and Maintenance Agreement	7,124	20,309	27,433
1.1.1.2	Acquisition and Installation of GIS Enterprise and ArcPad Software and Maintenance Agreement (3 years)	35,243	(1,344)	33,899
1.1.1.3	Acquisition of GIS/GNSS Equipment & Software	125,342	(2,136)	123,206
1.1.2.4	Acquisition and Installation of Emergency Monitoring System for Lone Workers	25,877	323	26,200
1.1.3.1	Acquisition of Ultrasonic NG Meters	158,503	1,581	160,084
5.1.1	Laptops with Docking Stations	25,904	(1,288)	24,616
5.1.2	Printer/Scanner/Other Equipment	454	1,700	2,154
5.1.3	Software	10,467	(10,007)	460
5.2.1	Office Desks & Workstations	—	5,662	5,662
5.2.2	Office Chairs & Fittings	2,156	2,649	4,805
5.3	Office Supplies	5,029	(298)	4,731
5.5	PEU Staff	1,714,429	(11,713)	1,702,716
5.7.2	Promotional/Marketing Material	2,914	(2,027)	887
	<b>Total</b>	<b>2,113,442</b>	<b>3,411</b>	<b>2,116,853</b>

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 10 Prior-period adjustments ...continued

*Notes to the Financial Statements*

#### Reconciliation between the statement of cash flows and the statement of cumulative investments

##### i) IDB Funds

##### *Reconciliation of IDB disbursements to statement of cumulative investments*

	As at end of year March 31, 2021 (previously reported) \$	Adjustments \$	As at end of year March 31, 2021 (restated) \$
IDB disbursements per the statement of cash flows	8,378,369	2,001	8,380,370
<b><i>Reconciling items:</i></b>			
Amount reimbursable to GOB from disbursement request no. 1	—	1,410	1,410
<b>Amount of IDB funds per the statement of cumulative investments</b>	<b>8,378,369</b>	<b>3,411</b>	<b>8,381,780</b>

##### ii) GOB Funds

The extent of funds contributed by GOB was as follows:

	As at end of year March 31, 2021 (previously reported) \$	Adjustments \$	As at end of year March 31, 2021 (restated) \$
Balance at beginning of year	277,008	8,362	285,370
Received during the year	104,606	21,174	125,780
<b>Amount of GOB funds per the statement of cumulative investments</b>	<b>381,614</b>	<b>29,536</b>	<b>411,150</b>

# Deployment of Cleaner Fuels and Renewable Energies in Barbados

## Loan No. 3843/OC-BA

Notes to Financial Statements

March 31, 2022

(expressed in United States dollars)

### 10 Prior-period adjustments ...continued

*Notes to the Financial Statements, continued*

#### Reconciliation between the statement of cash flows and the statement of cumulative investments ...continued

##### ii) GOB Funds ...continued

#### *Reconciliation of GOB disbursements to statement of cumulative investments*

	As at end of year March 31, 2021 (previously reported) \$	Adjustments \$	As at end of year March 31, 2021 (restated) \$
GOB disbursements per the statement of cash flows	742,019	27,535	769,554
<b>Reconciling items:</b>			
Non-eligible expenses	(621,990)	(26,125)	(648,115)
Amount reimbursable to GOB from disbursement request no. 1	—	(1,410)	(1,410)
<b>Amount of GOB funds per the statement of cumulative investments</b>	<b>120,029</b>	<b>—</b>	<b>120,029</b>

#### Non-eligible expenses

	Year ended March 31, 2021 (previously reported) \$	Adjustments \$	Year ended March 31, 2021 (restated) \$
Bank charges	92	—	92
Foreign exchange fees	17,821	—	17,821
Loss on foreign exchange	54,468	5	54,473
VAT and other indirect taxes	62,872	21,169	84,041
<b>Total</b>	<b>135,253</b>	<b>21,174</b>	<b>156,427</b>

# **Deployment of Cleaner Fuels and Renewable Energies in Barbados**

## **Loan No. 3843/OC-BA**

Notes to Financial Statements

**March 31, 2022**

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(expressed in United States dollars)

### **11 COVID-19**

Since the outbreak of COVID-19 in the first quarter of 2020, global financial markets have experienced, significant volatility, and there have been significant consequences for the global and local economies from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on the global and local economies and the sectors in which the Project and its suppliers operate is uncertain at this time, but it has the potential to adversely affect our business. As of July 29, 2022, management was not aware of any significant adverse effects on the financial statements for the year ended March 31, 2022 as a result of COVID-19. Management will continue to monitor the situation and the impact on the Project.