

DIRECTOR'S REMARKS
AUDITED ANNUAL ACCOUNTS FOR 2006 AND 2007

The attached copies of relevant parts of the audited SPREP Financial Statements were prepared in accordance with the Financial Regulations of SPREP and the Financial Regulations of the Waigani Convention.

For 2006, the Income and Expenditure Statement shows the expenditures were for the Conference of the Parties held in 2006 and the second year portion of the fee for technical advice and support for the 2005-2006 biennium.

Note that the Second STAC did not occur in the 2005- 2006 biennium, as had been budgeted in the budget presented at the Second Conference of the Parties (2004). The Second STAC did not take place until April 2008.

For 2007, the Income and Expenditure Statement shows expenditures were for communications (mainly faxes) and the first year portion of the fee for technical advice and support for the biennium 2007-2008.

A handwritten signature in black ink, appearing to read 'Asterio Takesy', is written over a vertical line that extends from the top of the signature down to the text below.

Asterio Takesy
Director

July 2008