

Audited Project Financial Statements

Project Number: 40238-023
Loan/Grant Number: 3032-VIE
Period covered: 1 January 2019 to 30 June 2020

Viet Nam: Productive Rural Infrastructure Sector Project in the Central Highlands

Prepared by Central Project Management Unit – Agriculture Project Management Board –
Ministry of Agriculture & Rural Development

For the Asian Development Bank
Date received by ADB: 23 March 2021

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Financial statements and Independent Auditors' Report

Productive Rural Infrastructure Sector Project
in the Central Highland

Loan Agreement No. 3032-VIE (COL) signed on 16 October 2013
between the Government of the Socialist Republic of Vietnam and the
Asian Development Bank (ADB)

For the period from 1 January 2019 to 30 June 2020 (the closing
date of the Project)



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Part I

Financial Statements

Report of the Project Management Unit

The Project Management Unit submits its report together with the audited financial statements of Productive Rural Infrastructure Sector Project in the Central Highland ("the Project") for the period from 1 January 2019 to 30 June 2020 (the closing date of the Project).

The Project Management Unit

The members of the Project Management are responsible for overall direction and management of the Project during the period and to the date of this report were:

Project Management Unit	Position
Mr Dong Xuan Huy	Project Director
Mr Vu Manh Hung	Deputy Project Director
Mr Nguyen Thanh Son	Deputy Project Director
Ms Le Thi Phuong Thao	Chief Accountant

Statement of the Project Management Unit

The Project Management Unit is responsible for preparing Financial Statements for the period from 1 January 2019 to 30 June 2020 (the closing date of the Project) ("the period") which give a true and fair view of:

- the financial position of the Project;
- the funds received and expended for the period;
- the cash flow during the period;
- the activities of the advance account for the period from 1 January 2019 to 30 June 2020 and the balance of this account as at 30 June 2020;
- the funds withdrawn for the period; and
- the actual disbursements and budget.

In preparing those Financial Statements, the Project Management Unit is required to:

- select suitable accounting policies and then apply them consistently in accordance with the Loan Agreement No. 3032-VIE (COL) between the Government of the Socialist Republic of Vietnam and the Asian Development Bank (ADB);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimise errors and frauds.

The Project Management Unit is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Project and to ensure that the accounting records comply with the accounting system as described in Note 3 to the financial statements and the Project Administration Manual. The Project Management Unit is responsible for ensuring that the project funds are used only for the purposes of the Project, in accordance with the provisions of Loan Agreement No. 3032-VIE (COL) as well as legal requirements applicable to the Project. They are also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Management Unit confirms that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

We hereby approve the accompanying financial statements on pages 6 to 25 which give a true and fair view of the fund balance of the Productive Rural Infrastructure Sector Project in the Central Highland as at 30 June 2020 (the closing date of the Project), the funds received and expenditures for the period from 1 January 2019 to 30 June 2020, statement of cash flow for the period from 1 January 2019 to 30 June 2020, the balance of the Project's advance account for the Credit fund as at 30 June 2020 and statements of actual disbursements and budget as well as movement of this account for the period from 1 January 2019 to 30 June 2020, in accordance with the accounting policies as described in Note 3 to the financial statements. At the same time, in the opinion of the Project Management Unit, the loan withdrawals have been adequately reconciled to the statements of expenditure prepared by the Project during the period, and such statements of expenditure were adequately supported.

On behalf of the Project Management Unit,



Dong Xuan Huy
Project Director

Hanoi, Vietnam
28 February 2021

Independent Auditors' Report

on the financial statements of the Productive Rural Infrastructure
Sector Project in the Central Highlands - Loan Agreement No. 3032-VIE (COL)
For the period from 1 January 2019 to 30 June 2020
(the closing date of the Project)

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To: Project Management Unit of Productive Rural Infrastructure Sector Project in the
Central Highlands

Auditors' opinion

We have audited the accompanying financial statements of Productive Rural Infrastructure Sector Project in the Central Highlands financed under the Loan Agreement No. 3032-VIE (COL), between the Government of the Socialist Republic of Vietnam and Asian Development Bank (ADB), prepared on 28 February 2021, which include Balance Sheet as at 30 June 2020 (the closing date of the Project), Statement of income and expenditures, Statement of cash flows, Statement of Advance Account and Statement of withdrawals for the period from 1 January 2019 to 30 June 2020, statement of actual expenditures and budget and a summary of significant accounting policies and other explanatory notes (collectively referred to as "Financial Statements"), as set out on pages from 6 to 25.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position as at 30 June 2020 as well as of the funds received and expenditures of the Project for the period from 1 January 2019 to 30 June 2020 in conformity with the accounting policies described in Note 3 of the Notes to the financial statements.

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 are independent from the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Vietnam, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Project Management Unit for the financial statements

The Project Management are responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies as described in Note 3 for the financial statements and the Project Administration Manual, 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.

Auditors' Responsibility for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Project 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.

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.



GRANT THORNTON (VIETNAM) LIMITED

Hanoi, Vietnam
28 February 2021

Grant Thornton

Balance sheet

as at 30 June 2020

	Notes	30 June 2020 VND	31 December 2018 VND
ASSETS			
Cash and cash equivalents		5,105,261,670	219,496,645,046
Cash on hand	4	61,535,557	135,569,531
Cash at bank	5	5,043,726,113	219,323,629,515
Cash in transit		-	37,446,000
Receivables		2,447,954,082	50,042,705,276
Prepayments to suppliers	6	1,945,247,400	49,195,282,253
Other receivable	7	502,706,682	847,423,023
Expenditures			
Project implementing expenditures	21, 22	1,895,610,510,525	1,214,978,418,662
Total assets		1,903,163,726,277	1,484,517,768,984
RESOURCES			
Liabilities		24,847,762,212	154,807,180,860
Payables to suppliers	8	24,653,676,845	154,057,022,414
Payables to the State budget		10,555,000	11,970,000
Bank charges payable		52,026,295	42,985,779
Other payable	9	131,504,072	538,250,566
Payable to employees		-	156,952,101
FUNDS		1,878,315,964,065	1,329,710,588,124
Funds		1,870,140,082,815	1,321,488,408,810
- Loan from Asian Development Bank (ADB)	10	1,574,163,716,480	1,121,643,452,174
- Interest charges - ADB fund	10	48,819,754,569	16,686,883,831
- Counterpart fund	11	244,527,810,076	180,582,651,668
- Other fund	12	2,410,548,770	2,361,348,770
- Bank interest	13	218,252,920	214,072,367
Foreign exchange differences		8,175,881,250	8,222,179,314
Total resources		1,903,163,726,277	1,484,517,768,984



Dong Xuan Huy
 Project Director

Le Thi Phuong Thao
 Chief Accountant

Statement of income and expenditures

For the period from 1 January 2019 to 30 June 2020

	Notes	Period from 1 January 2019 to 30 June 2020 VND	Year ended 31 December 2018 VND	Accumulated to 30 June 2020 VND
INCOMES				
Loan from Asian Development Bank (ADB)	10	452,520,264,306	797,281,410,121	1,574,163,716,480
Interest charges - ADB fund	10	32,132,870,738	9,635,799,885	48,819,754,569
Counterpart fund	11	63,945,158,408	40,187,636,810	244,527,810,076
Other fund	12	49,200,000	302,812,703	2,410,548,770
Bank interest	13	4,180,553	120,811,179	218,252,920
		548,651,674,005	847,528,470,698	1,870,140,082,815
EXPENDITURES				
Works	14	577,456,373,563	710,283,576,125	1,426,655,878,934
Construction services	15	24,967,333,973	35,110,006,439	171,528,634,946
Land acquisition and resettlement	16	21,066,992,814	18,840,846,328	56,886,770,470
Vehicles, equipment and accounting software	17	54,000,000	36,000,000	6,990,885,000
Implementation consulting services	18	6,335,774,687	16,878,263,334	77,803,177,340
Training	19	1,875,222,000	2,985,117,000	15,409,096,060
Study tours	19	-	-	576,125,035
Project management	20	15,731,340,986	15,628,131,155	86,970,045,746
Project financial auditing		950,276,822	167,470,380	1,428,763,622
Interest charges		32,132,870,738	9,635,799,885	48,819,754,569
Bank charges		4,180,553	202,375,435	299,817,176
Others		57,725,727	119,400,000	2,241,561,627
	21, 22	680,632,091,863	809,886,986,081	1,895,610,510,525
DEFICIT OF RECEIPTS OVER				
DISBURSEMENTS		(131,980,417,858)	37,641,484,617	(25,470,427,710)
FOREIGN EXCHANGE DIFFERENCES		(46,298,064)	5,353,059,700	8,175,881,250
FUND BALANCE, BEGINNING OF THE PERIOD		114,732,169,462	71,737,625,145	-
FUND BALANCE AT THE ENDING OF THE				
PERIOD		(17,294,546,460)	114,732,169,462	(17,294,546,460)

Hanoi, Vietnam
28 February 2021
QUẢN LÝ
CÁC DỰ ÁN
NÔNG NGHIỆP
Đông Xuân Huy
Project Director

Le Thi Phuong Thao
Chief Accountant

Statement of cash flows

For the period from 1 January 2019 to 30 June 2020

	Notes	Period from 1 January 2019 to 30 June 2020	Year ended 31 December 2018	Accumulated to 30 June 2020
		VND	VND	VND
RECEIPTS				
Loan from Asian Development Bank (ADB)		452,520,264,306	797,281,410,121	1,574,163,716,480
Interest charges – ADB fund		32,132,870,738	9,635,799,885	48,819,754,569
Counterpart fund		63,945,158,408	40,187,636,810	244,527,810,076
Other fund		49,200,000	302,812,703	2,410,548,770
Bank interest		4,180,553	120,811,179	218,252,920
		548,651,674,005	847,528,470,698	1,870,140,082,815
DISBURSEMENTS				
Works and construction services		684,577,018,252	585,082,503,843	1,578,589,603,773
Land acquisition and resettlement		21,066,992,814	18,840,846,328	56,886,770,470
Vehicles, equipment and accounting software		54,000,000	36,000,000	6,990,885,000
Implementation consulting services		6,335,774,687	13,862,008,573	74,786,922,579
Training		1,875,222,000	2,985,117,000	15,409,096,060
Study tours		-	-	576,125,035
Project management		15,951,738,240	15,414,542,090	87,190,443,000
Project financial auditing		950,276,822	167,470,380	1,428,763,622
Interest charges		32,132,870,738	9,635,799,885	48,819,754,569
Bank interest payables		4,180,553	202,375,435	299,817,176
Others		48,685,211	119,400,000	2,232,521,111
	22	762,996,759,317	646,346,063,534	1,873,210,702,395
DEFICIT OF INCOME AND EXPENDITURE		(214,345,085,312)	201,182,407,164	(3,070,619,580)
FOREIGN EXCHANGE DIFFERENCES		(46,298,064)	5,353,059,700	8,175,881,250
CASH BALANCE, BEGINNING OF THE PERIOD		219,496,645,046	12,961,178,182	-
CASH BALANCE AT THE ENDING OF THE PERIOD		5,105,261,670	219,496,645,046	5,105,261,670

Hanoi, Vietnam
 28 February 2021

**CÁC DỰ ÁN
 NÔNG NGHIỆP**

Dong Xuan Huy
 Project Director

Le Thi Phuong Thao
 Chief Accountant

Statement of Advance Account

For the period from 1 January 2019 to 30 June 2020

Account numbers: 129000016758
 Depository Bank: Vietnam Bank for Industry and Trade - Dong Anh Branch
 Address: Group 4, Dong Anh, Dong Anh District, Hanoi, Vietnam
 Credit Agreement No: 3032-VIE (COL)
 Currency: USD

Period from 1 January 2019
 to 30 June 2020
 USD

Part A: Account activity

Opening balance at 31 December 2018	9,274,228.86
Add:	
Total amount ADB advanced to advance account during the period	16,505,306.65
Amount Project Management Unit refunded the Project management expenses (*)	22,433.89
Less:	
Total amount withdrawn during the period	(25,797,553.49)
Closing balance at 30 June 2020	4,415.91

Part B: Account reconciliation

Opening balance of advance account at 31 December 2018	13,011,146.92
Add:	
Advance received during the period	10,050,000.00
Amount replenished to advance account	6,455,306.65
Amount cleared during the period	(19,093,955.46)
Ending balance of advance account at 30 June 2020	10,422,498.11

Opening balance of advance account at 31 December 2018	4,415.91
Add:	
Amount withdrawn and not yet submitted to ADB	85,744.31
Amount withdrawn and submitted to ADB for clearance	10,332,337.89
Total advanced to the Advance account as at 30 June 2020	10,422,498.11

(*) Presented for amount the Project Management Unit refunded the Project management expenses to advance account in accordance with Directive No. 18/CT-TTg dated 29 June 2019 of the Prime Minister not to use ODA fund for regular expenditures.



Hanoi, Vietnam
 28 February 2021
 Dong Xuan Huy
 Project Director

Le Thi Phuong Thao
 Chief Accountant

Statement of withdrawals

Loan from ADB

For the period from 1 January 2019 to 30 June 2020

Withdrawal				Vehicles,							Amount claimed and approved			
Application		Received Date	Currency	Works	Project		Equipment and Implementation		Training		Project management	Ceiling advance	Interest charges	Total
No	Date				financial auditing	accounting software	consulting service	tours and study						
Advance account														
A0029	20 August 2019	24 October 2019	USD	4,417,394.28	-	-	-	-	-	-	50,564.87	-	-	4,467,959.15
A0030	6 December 2019	13 December 2019	USD	-	-	-	-	-	-	-	-	3,000,000.00	-	3,000,000.00
A0032	10 January 2020	17 January 2020	USD	1,987,347.50	-	-	-	-	-	-	-	-	-	1,987,347.50
A0035	22 January 2020	7 February 2020	USD	-	-	-	-	-	-	-	-	2,500,000.00	-	2,500,000.00
A0037	7 May 2020	21 May 2020	USD	-	-	-	-	-	-	-	-	2,000,000.00	-	2,000,000.00
A0039	29 June 2020	3 July 2020	USD	-	-	-	-	-	-	-	-	2,000,000.00	-	2,000,000.00
A0040	13 October 2020	21 October 2020	USD	-	-	-	-	-	-	-	-	550,000.00	-	550,000.00
Direct payment														
DN006	30 January 2020	30 January 2020	VND	4,665,557,000	-	-	-	-	-	-	-	-	-	4,665,557,000
DN007	8 June 2020	8 June 2020	VND	3,912,167,000	-	-	-	-	-	-	-	-	-	3,912,167,000
GL001	2 March 2020	2 March 2020	VND	3,087,664,440	-	-	-	-	-	-	-	-	-	3,087,664,440
GL002	2 March 2020	2 March 2020	VND	2,159,031,140	-	-	-	-	-	-	-	-	-	2,159,031,140
GL003	2 March 2020	2 March 2020	VND	3,705,574,040	-	-	-	-	-	-	-	-	-	3,705,574,040
LD006	30 January 2020	30 January 2020	VND	3,999,635,868	-	-	-	-	-	-	-	-	-	3,999,635,868
DN008	4 December 2020	4 December 2020	VND	16,466,253,000	-	-	-	-	-	-	-	-	-	16,466,253,000
DN009	7 December 2020	7 December 2020	VND	3,928,411,000	-	-	-	-	-	-	-	-	-	3,928,411,000
DN010	4 December 2020	4 December 2020	VND	2,924,262,000	-	-	-	-	-	-	-	-	-	2,924,262,000
DL007	10 December 2020	10 December 2020	VND	4,158,187,000	-	-	-	-	-	-	-	-	-	4,158,187,000
DL008	16 December 2020	16 December 2020	VND	3,253,639,000	-	-	-	-	-	-	-	-	-	3,253,639,000

Withdrawal				Amount claimed and approved									
				Vehicles,									
				Project Equipment and Implementation									
				Training									
				and study									
				service									
				Project									
				management									
				Ceiling									
				advance									
				Interest									
				charges									
				Total									
No	Date	Received Date	Currency	Works	financial auditing	accounting software	consulting service	tours management	Project	Ceiling	Interest	Total	
DL009	10 December 2020	10 December 2020	VND	4,977,656,000	-	-	-	-	-	-	-	4,977,656,000	
DL010	10 December 2020	10 December 2020	VND	3,448,360,000	-	-	-	-	-	-	-	3,448,360,000	
GL004	9 December 2020	9 December 2020	VND	2,667,146,190	-	-	-	-	-	-	-	2,667,146,190	
KT006	15 December 2020	15 December 2020	VND	2,853,034,000	-	-	-	-	-	-	-	2,853,034,000	
KT007	15 December 2020	15 December 2020	VND	4,090,133,000	-	-	-	-	-	-	-	4,090,133,000	
Total			USD	6,404,741.78	-	-	-	50,564.87	10,050,000.00	-	-	16,505,306.65	
			VND	70,296,710,678	-	-	-	-	-	-	-	70,296,710.678	

Interest charges														
CAP- 9190	15 September 2019	15 September 2019	USD	-	-	-	-	-	-	-	-	-	455,962.50	455,962.50
CAP- 919A	15 March 2019	15 March 2019	USD	-	-	-	-	-	-	-	-	-	422,934.21	422,934.21
CAP- 920A	15 March 2020	15 March 2020	USD	-	-	-	-	-	-	-	-	-	513,384.28	513,384.28
				-	-	-	-	-	-	-	-	-	1,392,280.99	1,392,280.99



Dong Xuan Huy
Project Director

Le Thi Phuong Thao
Chief Accountant

Statement of actual expenditures and budget

For the period from 1 January 2019 to 30 June 2020

	Budget for the period from 1 January 2019 to 30 June 2020	Actual expenditures for the period from 1 January 2019 to 30 June 2020	Variances	%
	VND	VND	VND	
Works	586,677,650,103	577,456,373,563	9,221,276,540	2%
Project management			-	
Central Level	11,726,000,000	6,052,644,208	5,673,355,792	48%
Provincial Level	9,740,171,298	9,678,696,778	61,474,520	1%
Consultancy services	9,247,000,000	6,335,774,687	2,911,225,313	31%
Interest charges	32,132,870,738	32,132,870,738	-	0%
Others	52,200,735,794	48,975,731,889	3,225,003,905	6%
	701,724,427,933	680,632,091,863	21,092,336,070	3%

Hanoi, Vietnam
28 February 2021
**QUẢN LÝ
CÁC DỰ ÁN
NÔNG NGHIỆP**
Đông Xuân Huy
Project Director


Le Thi Phuong Thao
Chief Accountant

Notes to the financial statements

1. Project information

On 16 October 2013, the Government of the Socialist Republic of Vietnam ("Borrower") signed the Loan Agreement No. 3032-VIE (COL) with the Asian Development Bank ("ADB"). The total loan amount under the Loan Agreement 3032-VIE (COL) is 53,041,000 Special Drawing Rights (SDR) (equivalent to USD80,000,000) and counterpart fund is USD7,580,000.

On 16 October 2019, the Project received the Letter of Approval from ADB Bank for the extension of the closing date of the Project to 30 June 2020 and

On 26 October 2020, the Project received the Letter of Approval from ADB Bank to extend the winding-up period for two months from 31 October 2020 to 31 December 2020.

The Project is implemented in 5 central highlands provinces, including Kon Tum, Gia Lai, Dak Lak, Dak Nong and Lam Dong.

The objective of the Project is to improve rural and agricultural productivity with improved access to, and use of, water, materials, knowledge, production inputs and markets.

Ministry of Agriculture and Rural Development is the Project coordinator. The Project Management Unit is responsible for implementing the Project.

The Project Management Unit has office located at Room 704, Building 2, No. 16 Thuy Khue Street, Tay Ho District Hanoi, Vietnam.

Financing ratios

Pursuant to the Loan agreement, total funds committed to the Project is USD87.58 million. In which, the committed ADB fund, according to the Loan agreement No. 3032-VIE (COL) is USD80 million and the remaining fund of USD7.58 million is financed by the Government of Vietnam.

2. Fiscal year and accounting currency

2.1 Fiscal year

The fiscal year of the Project is from 1 January to 31 December. Project financial statements for the current period are prepared for the period from 1 January 2019 to 30 June 2020 (the closing date of the Project).

2.2 Accounting currency

The accounting records of the Project are maintained in Vietnamese Dong ("VND"). The financial statements are prepared in Vietnamese Dong except for the Advance Account statement and Statement of loan withdrawals, which are prepared in the original currency of United States Dollars ("USD") as required by the Asian Development Bank.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements, expressed in Vietnamese Dong ("VND"), are prepared in accordance with Circular 195/2012/TT-BTC dated 15 November 2012; and Circular 79/2019/TT-BTC dated 14 November 2019 by the Ministry of Finance which is effective from 1 January 2020 and replaces Circular 195/2012/TT-BTC.

The financial statements are prepared in conformity with a modified cash basis of accounting rather than generally accepted accounting principles.

3.2 Foreign exchange

Transactions arising in currencies other than the reporting currency of VND are translated at the prevailing exchange rates at transaction dates. Foreign exchange differences arising on translation are recognized separately in the statement of income and expenditures for the purpose of reconciliation of balance as at beginning and closing accounting year.

3.3 Recognitions of income and expenditures

Project income and expenditures are recognised as follows:

- Loan from ADB and counterpart fund: Fund is recognised when expenditures are paid and approved by the Treasury;
- Interest income and interest charges from: interest income and charges are recognised when receives ADB's withdrawns of due interest payables from the loan principals;
- Expenditures are recognised when incurred and approved by Treasury.

3.4 Prepayment to suppliers

Prepayment to suppliers are recorded as expenditure when they are cleared (i.e. when related activities are completed and the supporting documents have been submitted to and approved by the Project management for advance clearance).

3.5 Payable

The amount payable is recorded on the basis of the amount payable in the future in respect of the assets and services received.

3.6 Fixed asset

Payments for fixed assets are recognized as expenses of the Project. Fixed assets list is maintained by the Project for monitoring and management purposes.

4. Cash on hand

	30 June 2020 VND	31 December 2018 VND
ADB fund		
Gia Lai PPMU	-	22,202,526
Kon Tum PPMU	21,780,000	46,265,000
Dak Lak PPMU	22,789,000	24,276,462
Dak Nong PPMU	2,378,862	3,121,307
Lam Dong PPMU	6,804,438	713,208
CPMU	7,783,257	38,991,028
	61,535,557	135,569,531

5. Cash at bank

5.1 Cash at bank

	30 June 2020	31 December 2018
	VND	VND
CPMU	69,673,723	215,028,858,419
PPMUs	4,974,052,390	4,294,771,096
	5,043,726,113	219,323,629,515

5.2 Cash at bank – CPMU

	30 June 2020	31 December 2018
	VND	VND
Advance account at Vietinbank	51,331,528	214,633,369,335
VND Account at Vietinbank	11,557,645	388,028,340
Bank interest of advance account at Vietinbank	5,768,393	5,671,300
Bank interest of VND account at Vietinbank	1,016,157	1,789,444
	69,673,723	215,028,858,419

5.3 Cash at bank – PPMU

	30 June 2020	31 December 2018
	VND	VND
Accounts at Vietinbank		
Gia Lai PPMU	57,985,380	249,258,279
Kon Tum PPMU	91,584,084	497,363,528
Dak Lak PPMU	3,141,622,624	2,030,932,155
Lam Dong PPMU	557,959,242	1,431,113,586
Dak Nong PPMU	1,124,901,060	86,103,548
	4,974,052,390	4,294,771,096

6 Advance to suppliers

	30 June 2020	31 December 2018
	VND	VND
ADB fund		
Kon Tum PPMU	-	4,170,191,400
Dak Lak PPMU	-	2,168,811,000
Dak Nong PPMU	-	26,513,330,000
Lam Dong PPMU	-	13,410,363,664
CPMU	-	46,591,000
		46,309,287,064
Counterpart fund		
Kon Tum PPMU	335,996,700	375,675,600
Dak Lak PPMU	976,787,000	214,680,000
Dak Nong PPMU	255,534,000	794,368,000
Lam Dong PPMU	376,929,700	1,501,271,589
	1,945,247,400	2,885,995,189
	1,945,247,400	49,195,282,253

7 Other receivables

	30 June 2020	31 December 2018
	VND	VND
ADB fund		
Gia Lai PPMU	-	383,997,497
Kon Tum PPMU	-	2,933,870
Dak Nong PPMU	8,976,746	47,935,400
CPMU	-	47,555,912
	8,976,746	482,422,679
Counterpart fund		
Kon Tum PPMU	1,846,226	2,367,566
Dak Lak PPMU (*)	491,883,710	164,836,200
	493,729,936	167,203,766
Other fund		
Dak Nong PPMU	-	50,519,591
Lam Dong PPMU	-	147,276,987
	-	197,796,578
	502,706,682	847,423,023

(*) Presented for receivables from advance for site clearance from counterpart fund.

8 Trade payables

	30 June 2020	31 December 2018
	VND	VND
ADB fund		
Gia Lai PPMU	-	13,123,300,251
Kon Tum PPMU	-	54,875,194,800
Dak Lak PPMU	887,168,000	28,269,296,000
Dak Nong PPMU	10,892,348,000	21,389,267,371
Lam Dong PPMU	10,064,776,421	23,248,008,108
CPMU	-	4,081,178,020
	21,844,292,421	144,986,244,550
Counterpart fund		
Gia Lai PPMU	-	254,237,164
Kon Tum PPMU	709,891,324	2,278,089,600
Dak Lak PPMU	1,687,866,000	4,776,984,000
Dak Nong PPMU	-	643,591,000
Lam Dong PPMU	411,627,100	1,117,876,100
	2,809,384,424	9,070,777,864
	24,653,676,845	154,057,022,414

9 Other payables

	30 June 2020	31 December 2018
	VND	VND
ADB fund		
Gia Lai PPMU	57,985,380	226,256
Kon Tum PPMU	-	2,367,566
Dak Nong PPMU	-	59,994,591
Lam Dong PPMU	4,227,209	12,805,025
CPMU	18,771,892	41,719,305
	80,984,481	117,112,743
Counterpart fund		
Dak Nong PPMU	-	63,460,400
Lam Dong PPMU	-	147,931,446
	-	211,391,846
Other fund		
Gia Lai PPMU	-	129,061
Kon Tum PPMU	-	2,878,525
Dak Nong PPMU	50,519,591	50,519,591
Lam Dong PPMU	-	156,218,800
	50,519,591	209,745,977
	131,504,072	538,250,566

10 ADB Fund

	Period from 1 January 2019 to 30 June 2020			Accumulated to 30 June 2020		
	Original currency	Equivalent USD	Equivalent VND	Original currency	Equivalent USD	Equivalent VND
Advance account	16,505,306.65	16,505,306.65	382,223,553,628	52,332,840.18	52,332,840.18	1,192,306,299,017
Direct payment	70,296,710,678	3,034,420.00	70,296,710,678	381,857,417,463	16,875,925.55	381,857,417,463
	-	19,539,726.65	452,520,264,306	-	69,208,765.73	1,574,163,716,480
Interest charges	1,392,280.99	1,392,280.99	32,132,870,738	2,138,806.48	2,138,806.48	48,819,754,569
	-	20,932,007.64	484,653,135,044	-	71,347,572.21	1,622,983,471,049

11 Counterpart fund

	Period from 1 January 2019 to 30 June 2020	Year ended 31 December 2018	Accumulated to 30 June 2020
	VND	VND	VND
Gia Lai PPMU	2,181,918,582	15,790,141,000	36,205,059,582
Kon Tum PPMU	6,736,419,393	10,246,018,164	36,236,643,587
Dak Lak PPMU	25,022,716,000	4,367,930,000	66,606,574,274
Dak Nong PPMU	20,689,387,000	1,000,000,000	62,264,808,200
Lam Dong PPMU	5,553,600,250	8,061,144,370	36,972,070,322
CPMU	3,761,117,183	722,403,276	6,242,654,111
	63,945,158,408	40,187,636,810	244,527,810,076

12 Other fund

This represents the income from selling bidding documents to cover bidding related expenses.

	Period from 1 January 2019 to 30 June 2020	Year ended 31 December 2018	Accumulated to 30 June 2020
	VND	VND	VND
Gia Lai PPMU	-	35,400,000	471,400,000
Kon Tum PPMU	-	179,229,000	614,229,000
Dak Lak PPMU	10,000,000	2,049,703	595,749,703
Dak Nong PPMU	39,200,000	2,134,000	360,221,397
Lam Dong PPMU	-	84,000,000	361,948,670
CPMU	-	-	7,000,000
	49,200,000	302,812,703	2,410,548,770

13 Bank interest

This represents the bank interest income to cover bank charges.

	Period from 1 January 2019 to 30 June 2020	Year ended 31 December 2018	Accumulated to 30 June 2020
	VND	VND	VND
Gia Lai PPMU	-	-	9,167,696
Kon Tum PPMU	-	4,744	11,001,055
Dak Lak PPMU	1,980,008	97,660,000	117,563,335
Dak Nong PPMU	1,090,358	21,800,000	37,699,986
Lam Dong PPMU	1,110,187	1,346,435	5,739,440
CPMU	-	-	37,081,408
	4,180,553	120,811,179	218,252,920

14 Works

	Period from 1 January 2019 to 30 June 2020	Year ended 31 December 2018	Accumulated to 30 June 2020
	VND	VND	VND
Gia Lai PPMU	67,761,783,092	107,166,224,234	196,466,901,643
Kon Tum PPMU	61,590,843,585	194,184,752,800	305,352,790,385
Dak Lak PPMU	145,095,767,000	142,856,523,351	327,453,553,886
Dak Nong PPMU	178,902,515,629	159,978,134,271	359,656,569,900
Lam Dong PPMU	124,105,464,257	106,097,941,469	237,726,063,120
	577,456,373,563	710,283,576,125	1,426,655,878,934

15 Construction services

	Period from 1 January 2019 to 30 June 2020 VND	Year ended 31 December 2018 VND	Accumulated to 30 June 2020 VND
Subproject feasibility studies and construction supervision			
Gia Lai PPMU	783,063,179	4,885,051,000	16,345,202,658
Kon Tum PPMU	3,493,773,101	11,551,644,000	29,735,682,101
Dak Lak PPMU	5,864,050,000	6,652,748,000	33,943,330,000
Dak Nong PPMU	9,823,686,000	1,200,658,000	44,279,441,500
Lam Dong PPMU	5,002,761,693	7,464,584,416	31,122,531,615
	24,967,333,973	31,754,685,416	155,426,187,874
Subproject safeguard reviews			
CPMU	-	2,264,446,571	6,117,027,923
Others			
Gia Lai PPMU	-	-	179,120,498
Kon Tum PPMU	-	394,969,744	2,179,155,774
Dak Lak PPMU	-	455,771,870	988,164,870
Dak Nong PPMU	-	2,134,000	4,323,629,000
Lam Dong PPMU	-	237,998,838	2,315,349,007
	-	1,090,874,452	9,985,419,149
	24,967,333,973	35,110,006,439	171,528,634,946

16 Land acquisition and resettlement

	Period from 1 January 2019 to 30 June 2020 VND	Year ended 31 December 2018 VND	Accumulated to 30 June 2020 VND
Gia Lai PPMU	452,296,524	11,034,327,164	18,763,522,016
Kon Tum PPMU	-	2,485,974,164	2,485,974,164
Dak Lak PPMU	12,985,607,290	5,320,545,000	25,571,578,290
Dak Nong PPMU	7,629,089,000	-	9,908,945,000
Lam Dong PPMU	-	-	156,751,000
	21,066,992,814	18,840,846,328	56,886,770,470

17 Vehicles, equipment and accounting software

This represents expenditures of vehicles, equipment and accounting software funded by ADB at CPMU.

18 Implementation Consulting services

This represents expenditures of implementation consulting services (ADB fund) at CPMU.

	Period from 1 January 2019 to 30 June 2020 VND	Year ended 31 December 2018 VND	Accumulated to 30 June 2020 VND
International loan implementation consultants	6,129,405,972	15,272,488,530	70,338,739,035
National start-up consultants and consultant on water saving irrigation model	-	-	3,650,651,161
M&E Information Management system	-	525,030,000	1,750,100,000
Baseline studies	206,368,715	1,080,744,804	2,063,687,144
	6,335,774,687	16,878,263,334	77,803,177,340

19 Training and study tours

This represents expenditures for training and study tours on development of model for sustainable management and exploitation of hydraulic works and development of water saving irrigation model for high value crops implemented by CPMU and funded by ADB.

20 Project management

	Period from 1 January 2019 to 30 June 2020 VND	Year ended 31 December 2018 VND	Accumulated to 30 June 2020 VND
ADB fund			
Gia Lai PPMU	163,583,073	1,953,239,798	9,877,422,136
Kon Tum PPMU	7,385,000	1,857,009,816	9,997,674,316
Dak Lak PPMU	1,161,254,940	1,605,029,966	8,542,752,300
Dak Nong PPMU	177,516,192	1,895,715,845	9,982,583,441
Lam Dong PPMU	701,520,522	2,513,874,563	9,858,249,546
CPMU	2,291,527,025	4,056,141,363	19,659,376,892
	4,502,786,752	13,881,011,351	67,918,058,631
Counterpart fund			
Gia Lai PPMU	692,321,715	-	917,214,410
Kon Tum PPMU	2,208,233,090	-	2,208,233,090
Dak Lak PPMU	1,381,461,297	538,381,000	4,260,400,571
Dak Nong PPMU	1,991,768,833	47,935,400	2,422,766,933
Lam Dong PPMU	1,193,652,116	438,400,128	3,000,718,000
CPMU	3,761,117,183	722,403,276	6,242,654,111
	11,228,554,234	1,747,119,804	19,051,987,115
	15,731,340,986	15,628,131,155	86,970,045,746

21 Expenditures by sources of fund

	Period from 1 January 2019 to 30 June 2020		Year ended 31 December 2018		Accumulated to 30 June 2020	
	ADB fund Counterpart fund and other funds		Counterpart fund and other funds		ADB fund Counterpart fund and other funds	
	VND	VND	VND	VND	VND	VND
Expenditures						
Works	577,456,373,563	-	577,456,373,563	710,283,576,125	-	1,426,655,878,934
Construction services	-	24,967,333,973	24,967,333,973	2,264,446,571	32,845,559,868	35,110,006,439
Land acquisition and resettlement	-	21,066,992,814	21,066,992,814	-	18,840,846,328	18,840,846,328
Vehicles, equipment and accounting software	54,000,000	-	54,000,000	36,000,000	-	36,000,000
Implementation consulting services	6,335,774,687	-	6,335,774,687	16,878,263,334	-	16,878,263,334
Training	1,875,222,000	-	1,875,222,000	2,985,117,000	-	2,985,117,000
Study tours	-	-	-	-	-	-
Project management	4,502,786,752	11,228,554,234	15,731,340,986	13,881,011,351	1,747,119,804	15,628,131,155
Project financial auditing	950,276,822	-	950,276,822	167,470,380	-	167,470,380
Interest charges	32,132,870,738	-	32,132,870,738	9,635,799,885	-	9,635,799,885
Bank charges	-	4,180,553	4,180,553	-	202,375,435	202,375,435
Others	-	57,725,727	57,725,727	-	119,400,000	119,400,000
	623,307,304,562	57,324,787,301	680,632,091,863	756,131,684,646	53,755,301,435	809,886,986,081
					1,651,726,709,543	243,883,800,982
						1,895,610,510,525

22 Project implementing expenditures

The reconciliations between the costs of project implementation presented in the balance sheet and the actual expenses presented in the statement of cash flows are as follows:

	Period from 1 January 2019 to 30 June 2020 VND	Balances at 30 June 2020 VND	Balances at 31 December 2018 VND
Balance sheet			
Project implementing expenditures (1)	680,632,091,863	1,895,610,510,525	1,214,978,418,662
Statement of cash flows			
Disbursements for implementing project (2)	762,996,759,317	1,873,210,702,395	1,110,213,943,078
Difference (3) = (1) – (2)	(82,364,667,454)	22,399,808,130	104,764,475,584
Represented by:	(82,364,667,454)	22,399,808,130	104,764,475,584
Other receivables	344,716,341	(502,706,682)	(847,423,023)
Advances to suppliers	47,250,034,853	(1,945,247,400)	(49,195,282,253)
Payables to suppliers	(129,403,345,569)	24,653,676,845	154,057,022,414
Payables to employees	(156,952,101)	-	156,952,101
Payables to the State budget	(1,415,000)	10,555,000	11,970,000
Bank interest payables	9,040,516	52,026,295	42,985,779
Other payables	(406,746,494)	131,504,072	538,250,566

23 Subsequent events

23.1 Work expenditures are accepted as of 30 June 2020 and approved by the Treasury up to 31 December 2020

PPMUs	VND
Gia Lai PPMU	3,570,581,860
Kon Tum PPMU	15,824,793,400
Dak Lak PPMU	53,645,347,290
Dak Nong PPMU	34,302,738,000
Lam Dong PPMU	11,300,521,668
CPMU	2,201,342,462
	120,845,324,680

23.2 Withdrawals of ADB fund

From 1 July 2020 to 31 December 2020, the Project had incurred a number of withdrawals for advance, direct payment to settle payable to suppliers as follows:

Application	Application Date	Received Date	PPMUs	Original currency	Amount	VND Equivalent
Direct payment						
DN008	4 December 2020	4 December 2020	Dak Nong PPMU	VND	16,466,253,000	16,466,253,000
DN009	7 December 2020	7 December 2020	Dak Nong PPMU	VND	3,928,411,000	3,928,411,000
DN010	4 December 2020	4 December 2020	Dak Nong PPMU	VND	2,924,262,000	2,924,262,000
DL007	10 December 2020	10 December 2020	Dak Lak PPMU	VND	4,158,187,000	4,158,187,000
DL008	16 December 2020	16 December 2020	Dak Lak PPMU	VND	3,253,639,000	3,253,639,000
DL009	10 December 2020	10 December 2020	Dak Lak PPMU	VND	4,977,656,000	4,977,656,000
DL010	10 December 2020	10 December 2020	Dak Lak PPMU	VND	3,448,360,000	3,448,360,000
GL004	9 December 2020	9 December 2020	Gia Lai PPMU	VND	2,667,146,190	2,667,146,190
KT006	15 December 2020	15 December 2020	Kon Tum PPMU	VND	2,853,034,000	2,853,034,000
KT007	15 December 2020	15 December 2020	Kon Tum PPMU	VND	4,090,133,000	4,090,133,000
					48,767,081,190	48,767,081,190
Advance						
A0039	29 June 2020	3 July 2020	CPMU	USD	2,000,000	46,220,000,000
A0040	13 October 2020	21 October 2020	CPMU	USD	550,000	12,700,600,000
					2,550,000	58,920,600,000

23.3 Settlement payables to suppliers

Paid the payables to suppliers from the Advance Account

PPMUs	VND Equivalent	Original amount in USD
Gia Lai PPMU	3,974,235,930	172,099.01
Kon Tum PPMU	7,064,294,400	305,955.80
Dak Lak PPMU	34,057,558,000	1,474,762.08
Dak Nong PPMU	91,464,000	3,963.08
Lam Dong PPMU	15,807,918,313	684,722.57
CPMU	2,201,342,462	95,339.78
	63,196,813,105	2,736,842.32

To settle remaining payables to suppliers

For the balance of trade payables to the suppliers as presented in Note 8, for payables sourced by ADB, the Project has been finalising the disbursement documents to submit to ADB within the regulated timeline. For liabilities from counterpart funds, the Project Management Unit is also finalising the disbursement documents and submitting to the Treasury for approval to pay to the suppliers.

23.4 Summary of impacts of adjustments of subsequent events to the financial statements

The Project Management Unit has determined the above events as adjusting events after the reporting period to the financial statements. Therefore, the Project's financial statements for the period 1 January 2019 to 30 June 2020, have been included these adjustments. Summary of impacts of the adjustments on the financial statements as below:

Balance Sheet as at 30 June 2020

	Unadjusted VND	Adjustment VND	Adjusted VND
Cash at bank	9,319,939,218	(4,276,213,105)	5,043,726,113
Project implementing expenditures	1,774,765,185,845	120,845,324,680	1,895,610,510,525
Payables to suppliers	15,772,246,460	8,881,430,385	24,653,676,845
Loan from Asian Development bank (ADB)	1,466,476,035,290	107,687,681,190	1,574,163,716,480

Statement of income and expenditures for the period from 1 January 2019 to 30 June 2020

	Unadjusted VND	Adjustment VND	Adjusted VND
Loan from Asian Development bank (ADB)	344,832,583,116	107,687,681,190	452,520,264,306
Project implementing expenditures	559,786,767,183	120,845,324,680	680,632,091,863

Statement of cash flows for the period from 1 January 2019 to 30 June 2020

	Unadjusted VND	Adjustment VND	Adjusted VND
Loan from Asian Development bank (ADB)	344,832,583,116	107,687,681,190	452,520,264,306

Statement of Advance Account for the Period from 1 January 2019 to 30 June 2020

	Unadjusted USD	Adjustment USD	Adjusted USD
A. Balances of Cast at bank Account	191,258.23	(186,842.32)	4,415.91
B. Balances of Advance Account	11,765,880.07	(1,343,381.96)	10,422,498.11

Statement of withdrawals for the period from 1 January 2019 to 30 June 2020

Below withdrawals have been presented in the Statemetn of withdrawals:

Application	Application Date	Received Date	PPMUs	Original currency	Amount
Direct payment					
DN008	4 December 2020	4 December 2020	Dak Nong PPMU	VND	16,466,253,000
DN009	7 December 2020	7 December 2020	Dak Nong PPMU	VND	3,928,411,000
DN010	4 December 2020	4 December 2020	Dak Nong PPMU	VND	2,924,262,000
DL007	10 December 2020	10 December 2020	Đak Lak PPMU	VND	4,158,187,000
DL008	16 December 2020	16 December 2020	Đak Lak PPMU	VND	3,253,639,000
DL009	10 December 2020	10 December 2020	Đak Lak PPMU	VND	4,977,656,000
DL010	10 December 2020	10 December 2020	Đak Lak PPMU	VND	3,448,360,000
GL004	9 December 2020	9 December 2020	Gia Lai PPMU	VND	2,667,146,190
KT006	15 December 2020	15 December 2020	Kon Tum PPMU	VND	2,853,034,000
KT007	15 December 2020	15 December 2020	Kon Tum PPMU	VND	4,090,133,000
					48,767,081,190

Advance

A0039	29 June 2020	3 July 2020	CPMU	USD	2,000,000
A0040	13 October 2020	21 October 2020	CPMU	USD	550,000
					2,550,000

Liquidation

A0033	23 September 2020		CPMU	USD	1,146,218.09
A0034	23 October 2020		CPMU	USD	2,747,163.87
					3,893,381.96

The Project Management Unit is also finalising the applications to submit to ADB for clearance the Advance account balance as the regulated time.

Except for the above events, there are no significant events have occurred since the reporting date which would impact on the financial position as at 30 June 2020 as well as of the funds received and expenditures of the Project for the period from 1 January 2019 to 30 June 2020.

