

Audited Project Financial Statements

Project Number: 41456-033
Loan/Grant Number: 2961
Period covered: 1 January 2019 – 31 December 2019

VIE: Water Sector Investment Program – Tranche 2

Prepared by DAKWACO

For the Asian Development Bank
Date received by ADB: 16 October 2020

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and Dak Lak's PPC.

**BUON MA THUOT CITY AND
THREE ADJACENT DISTRICTS OF EAKAR;
BUON DON AND KRONG NANG
WATER SUPPLY DEVELOPMENT PROJECT**

Loan Number 2961 – VIE

AUDITED PROJECT FINANCIAL STATEMENTS
Fiscal year ended 31 December 2019

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REPORT OF THE PROJECT MANAGEMENT UNIT

Dak Lak Water Supply and Construction Investment Project Management Unit ("the Project Management Unit") presents this report and the Financial Statements of the Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project ("the Project") for the fiscal year ended 31 December 2019.

The Project

Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project is implemented under the Loan Number 2961 – VIE dated 23 May 2013 ("the Agreement") between the Socialist Republic of Vietnam and the Asian Development Bank ("ADB").

The Project Management Unit

Members of the Project Management Unit in the year and to the reporting date are:

Mr. Nguyen Khac Dan	Director	Appointed on 15/05/2019
Mr. Tran Van Thien	Director	Resigned on 15/05/2019
Mr. Tran Quoc Do	Chief Accountant	

Auditors

The auditors of AASC Limited have taken the audit of financial statements of the Project.

Responsibilities of the Project Management Unit

The Project Management Unit is responsible for preparing the Project's Financial statements, including Statement of Financial Position, Statement of Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account and Statement of Withdrawals and Reconciliation of Funds, which comply with the accounting policies described in the attached Notes to the Financial Statements. The Project Management Unit assures that the accounting policies are appropriately selected and consistently applied.

The Project Management Unit assures that the accounting records were fully maintained to prepare the financial statements in accordance with the applied accounting policies and to disclose, with reasonable accuracy at any time, the financial position of the Project.

The Project Management Unit is responsible for maintaining an effective internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and comply with relevant laws, regulations and other provisions of the agreement, including over the procurement progress, that could have a direct and material financial effect on the Project financial statements ("the Requirements").

In addition, the Project Management Unit is also responsible for complying with the Requirements applicable to the Project, in which:

- ▶ The funds have been used in accordance with the conditions of the Loan Agreement No. 2961 - VIE dated 23 May 2013;
- ▶ The Advance Account procedures have been operated in accordance with the Asian Development Bank's Loan Disbursement Handbook;
- ▶ Adequate supporting documents, with respect to Statement of Expenditures, have been fully maintained to support to the replenishment requests submitted to the Asian Development Bank. The expenditures are eligible and in right purposes of the Loan Agreement No. 2961 – VIE dated 23 May 2013.

**Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang
Water Supply Development Project**
Loan Number 2961 – VIE

On behalf of the Project Management Unit



Nguyen Khac Dan
Director

Dak Lak, 30 June 2020

No.: 300620.011/BCTC.FIS2

INDEPENDENT AUDITORS' REPORT ON THE PROJECT FINANCIAL STATEMENTS

To: Dak Lak Water Supply and Construction Investment Project Management Unit

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report and its possible effect, the accompanying financial statements give a true and fair view of the financial position of the Project, including the balance of the Advance Account as at 31 December 2019, funds received and disbursements paid, movements of the Advance Account for the fiscal year ended 31 December 2019 in accordance with the basis of the principal accounting policies described in the Notes to the Financial Statements and the provisions of the Loan Number 2961 – VIE dated 23 May 2013.

We have audited the accompanying financial statements of the Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project ("the Project") which comprise Statement of Financial Position as at 31 December 2019, Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account and Statement of Withdrawals and Reconciliation of Funds for the fiscal year ended 31 December 2019 and Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Qualified Opinion

The contractor (Dai Phu Thinh Co., Ltd.) has been awarded in a bid of the package DLCW02 – Water processing station with daily capacity of 35,000 m³, transmission pipeline to booster pump station while they are the related party with another bidder - Toan Thang Loi Construction JSC. As a result, expenditures related to the mentioned contractor that have been accumulated to 31/12/2019 with the amount of VND 148,419,082,880 (Note 05) are subject to a final approval of authorities.

We conducted our audit in accordance with the International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Project Management Unit in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management for the Project Financial Statements

The Project Management Unit is responsible for the preparation of the Project Financial statements in accordance with the principal accounting policies described in Notes 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 relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

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 the 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 auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Project Management Unit 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 (if any).



Do Mạnh Cuong
Deputy General Director
CPA Registered No.: 0744-2018-002-1

Hanoi, 30 June 2020

Nguyen Pham Hung
Auditor in-charge
CPA Registered No.: 2893-2020-002-1

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31/12/2019 VND	31/12/2018 (Reclassified) VND
CURRENT ASSETS		68,210,004,085	38,822,947,246
Cash on hand		230,258,940	363,652,584
Cash at bank	03	26,712,076,841	3,290,513,995
Value added tax		40,568,077,704	31,765,592,457
Other receivables		10,000,000	10,000,000
Advances to staff		26,550,000	26,550,000
Advances to contractors	04	663,040,600	3,366,638,210
NON-CURRENT ASSETS		458,776,016,399	348,571,255,929
Project Implementation Expenditures	05	458,776,016,399	348,571,255,929
TOTAL ASSETS		526,986,020,484	387,394,203,175
CURRENT LIABILITIES		72,335,900,097	68,960,679,744
Payables to contractors	06	72,139,975,410	68,633,752,295
Payables to staff		148,604,611	267,334,449
Other payables		47,320,076	59,593,000
FUNDS		454,650,120,387	318,433,523,431
Project Implementation Funds		453,676,622,865	317,602,594,715
- The Asian Development Bank	07	385,708,320,478	252,599,718,543
- Dak Lak Water Supply Joint Stock Company		67,968,302,387	65,002,876,172
Foreign exchange differences	08	973,497,522	830,928,716
TOTAL RESOURCES		526,986,020,484	387,394,203,175

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Fiscal year ended 31 December 2019

	Note	Accumulated to 31/12/2018 (Reclassified) VND	Year ended 31/12/2019 VND	Accumulated to 31/12/2019 VND
I. RECEIPTS				
1. Received from the Asian Development Bank	07	317,744,151,047	136,090,761,788	453,834,912,835
2. Received from Dak Lak Water Supply Joint Stock Company		252,599,718,543	133,108,601,934	385,708,320,477
3. Other receipts		65,002,876,172	2,965,426,215	67,968,302,387
		141,556,332	16,733,639	158,289,971
II. DISBURSEMENTS				
1. Resettlement and Land Acquisition		314,910,913,184	112,945,161,392	427,856,074,576
2. Civil works		9,191,806,912	-	9,191,806,912
3. Consulting services		267,108,617,856	92,468,812,361	359,577,430,217
4. Interest and commitment fees		25,503,075,596	7,063,807,795	32,566,883,391
5. Project management costs		8,412,728,410	12,121,438,078	20,534,166,488
6. Other disbursements	09	3,048,515,139	1,251,109,595	4,299,624,734
		1,646,169,271	39,993,563	1,686,162,834
III. FOREIGN EXCHANGE DIFFERENCES		830,928,716	142,568,806	973,497,522
IV. RECONCILIATION AS AT CLOSING		3,664,166,579		26,952,335,781
<i>Presented by:</i>				
Cash on hand		363,652,584		230,258,940
Cash at bank		3,290,513,995		26,712,076,841
Other receivables		10,000,000		10,000,000
		3,664,166,579		26,952,335,781

STATEMENT OF BUDGET VERSUS ACTUAL DISBURSEMENTS

Fiscal year ended 31 December 2019

Categories	Budget Disbursements (*)			Actual Disbursements			Variance			Rate
	Loan number 2961-VIE	Counterpart fund	Total	Loan number 2961-VIE	Counterpart fund	Total	Loan number 2961-VIE	Counterpart fund	Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	
Civil Works	110,909,090,909	11,090,909,091	122,000,000,000	92,468,812,361	-	92,468,812,361	(18,440,278,548)	(11,090,909,091)	(29,531,187,639)	76%
Consulting Services	13,818,181,818	2,081,818,182	15,900,000,000	7,063,807,795	-	7,063,807,795	(6,754,374,023)	(2,081,818,182)	(8,836,192,205)	44%
Interest and commitment fees	2,000,000,000	-	2,000,000,000	10,219,617,659	1,901,820,419	12,121,438,078	8,219,617,659	1,901,820,419	10,121,438,078	606%
Project management costs	-	1,500,000,000	1,500,000,000	-	1,251,109,595	1,251,109,595	-	(248,890,405)	(248,890,405)	83%
Others	-	60,000,000	60,000,000	-	39,993,563	39,993,563	-	(20,006,437)	(20,006,437)	67%
	126,727,272,727	14,732,727,273	141,460,000,000	109,752,237,815	3,192,923,577	112,945,161,392	(16,975,034,912)	(11,539,803,696)	(28,514,838,608)	80%

(*) According to Decision No. 33/QĐ-CNDTXD dated 31 January 2019 of Dak Lak Water Supply Joint Stock Company on the investment funds plan in 2019.

STATEMENT OF ADVANCE ACCOUNT

For the period: From 01 January 2019 to 31 December 2019
Account No: 17702-000000436-4
Bank: Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch
Address: No. 35 Nguyen Tat Thanh, Buon Ma Thuot City, Dak Lak Province

	Note	USD	USD
PART A: ACTIVITIES			
Opening balance			100,338.54
Add: Total amounts deposited by the Asian Development Bank			3,211,192.69
Deduct: Total amounts withdrawn			(2,162,249.40)
Closing balance			<u>1,149,281.83</u>
PART B: RECONCILIATION			
1. Amount advanced by the Asian Development Bank			2,156,700.00
2. Add: Amount supplemented by the Asian Development Bank			-
3. Present outstanding amount advanced to			<u>2,156,700.00</u>
4. Closing balance			1,149,281.83
5. Add:			
Amounts withdrawn and not yet claimed	(i)	1,007,343.17	
Overseas bank charges		<u>75.00</u>	
			1,007,418.17
6. Total advances accounted for			<u>2,156,700.00</u>
(i) Including:			USD
Civil Works			350,400.32
Consulting services			656,942.85
			<u>1,007,343.17</u>

STATEMENT OF WITHDRAWALS AND RECONCILIATION OF FUNDS

Fiscal year ended 31 December 2019

<u>Withdrawal applications</u>		<u>Amount claimed</u>	<u>Amount received</u>	<u>Variances</u>	<u>Note</u>
<u>No.</u>	<u>Date</u>	<u>(Civil works)</u>	<u>(b)</u>	<u>(b-a)</u>	
		(a)			
Advance account (USD)					
DL009	28/01/2019	1,629,290.16	1,629,275.16	(15.00)	
DL016	20/12/2019	1,581,932.53	1,581,917.53	(15.00)	
Total amounts in USD		<u>3,211,222.69</u>	<u>3,211,192.69</u>	<u>(30.00)</u>	(i)
Direct payment (VND)					
DL010	31/01/2019	10,197,602,386	10,197,602,386	-	
DL011	31/01/2019	10,141,279,727	10,141,279,727	-	
DL012	12/11/2019	7,650,420,273	7,650,420,273	-	
DL013	15/11/2019	6,438,946,484	6,438,946,484	-	
DL014	19/12/2019	7,065,600,687	7,065,600,687	-	
DL015	23/12/2019	7,113,813,591	7,113,813,591	-	
Total amounts in VND		<u>48,607,663,148</u>	<u>48,607,663,148</u>	<u>-</u>	

(i) Bank charges

NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended 31 December 2019

1. Background

Buon Ma Thuot city and three adjacent districts of Eakar, Buon Don and Krong Nang Water Supply Development Project ("the Project") is a sub-project of the Viet Nam Water Sector Investment Program – Project 2 ("the Program") implemented under the Loan Number 2961 – VIE dated 23 May 2013 ("the Agreement") between the Socialist Republic of Vietnam and the Asian Development Bank ("ADB").

Total budget of the Loan under the Agreement is USD 212,000,000 for 15 projects in 12 provinces, of which USD 207,000,000 is for 6 projects in Hai Phong, Quang Tri, Thua Thien Hue, Da Nang, Dak Lak and Binh Duong (the best preparation for the Project) and USD 5,000,000 for the remaining 9 projects. Dak Lak Water Supply and Construction Investment One Member Limited Company ("Dakwaco") is entitled to borrow USD 24,590,000 to implement the Project.

The main activities of the Project are:

- ▶ Constructing a water intake and pumping station on the Srepok River;
- ▶ Constructing a 6 km D700 raw water pipeline from the intake to the water treatment plant ("WTP");
- ▶ Constructing Buon Ma Thuot WTP capacity 35,000 m3/day in Krong Ana District;
- ▶ Constructing a 12.5 km D700 treated water gravity pipeline from the WTP to the Booster Pump Station location;
- ▶ Constructing a Booster Pump Station and 5,000 m3 storage reservoir;
- ▶ Constructing 130 km D700 transmission main;
- ▶ Installing 80km D90-50 distribution mains and 25,000 household connection in Buon Ma Thuot city;
- ▶ Constructing EaKar District Town WTP capacity 2,500 m3/day, 44km transmission and distribution mains;
- ▶ Constructing Buon Don District Town WTP capacity 1,000 m3/day, 22km transmission and distribution mains;
- ▶ Constructing Krong Nang District Town WTP capacity 1,600 m3/day, 34km transmission and distribution mains; and
- ▶ Implementing an Institutional Strengthening in Non-Revenue Water Management.

The Project officially came into operation on 18 September 2013 and is expected to close on 31 December 2020.

The Project is managed by Dak Lak Water Supply and Construction Investment Project Management Unit ("the Project Management Unit"), and its office is located at No. 339 Ton Duc Thang, Tan An Ward, Buon Ma Thuot City, Dak Lak Province.

2. Principal Accounting Policies

a. Basis of preparation of the Financial Statements

The annual accounting period commenced from 1st January to 31st December.

The financial statements are prepared under the requirements of the Asian Development Bank and in accordance with Vietnamese Accounting Standards and Circular No. 195/2012/TT-BTC dated 15 November 2012.

These financial statements are presented in Vietnam Dong (VND), except for Statement of Advance Account which is prepared in United State Dollar (USD) and Statement of Withdrawals and Reconciliation of Funds which is prepared in Vietnam Dong (VND) and United State Dollar (USD). Statement of Receipts and Disbursements is prepared on the cash basis.

Other financial statements are prepared in accordance with the principal accounting policies are summarized as below:

b. Foreign currencies

Funds received from the Asian Development Bank in foreign currency are converted into VND under selling exchange rate of the service bank (Note 2e) on dates of remittance made into the Advance Account or direct payment made to contractors.

Other transactions in foreign currencies are translated to VND under buying-exchange rate of the service bank at transaction dates. Monetary assets and liabilities denominated in foreign currencies are revalued under exchange rate of the service bank at the reporting dates. All exchange differences from these transactions are recorded and presented as "Foreign exchange differences" on Statement of Financial Position.

c. Funds and Expenditures

Funds:

- ▶ Funds received from the Asian Development Bank are recorded when direct payments are made from the ADB to contractors/suppliers or remittance are made into the Advance Account. Of which, capitalization of interest charges and commitment fees are recognized upon announcement by the Vietnam Development Bank ("VDB");
- ▶ Funds received from Dak Lak Water Supply and Construction Investment One Member Limited are recorded when payments are made directly to contractors/suppliers or funds remitted to the Project Management Unit for settlement of the Project's activities.

Expenditures:

- ▶ The Project's expenditures are recorded when they are actually incurred.

d. Input value added tax

Input value added tax is recorded and presented as a separate item in the Project's financial statement but declared by the Project Management Unit.

e. Advance Account and its interest

Advance Account is the deposit account in USD opened at Vietnam Joint Stock Commercial Bank for Industry and Trade – Dak Lak Branch for the Project's activities. Payments made via the Advance Account are for eligible expenditures of the Project in accordance with provisions of the Loan Number 2961 – VIE dated 23 May 2013.

Interest of the Advance Account is considered as receipts of DAKWACO and initially recorded as Other payables in Statement of Financial Position and used to cover bank charges. They are recognized as fund on a systematic basis over the periods necessary to match them with bank charges which they are intended to compensate. At the end of the Project, outstanding interests will be returned to the DAKWACO. In case bank charges are not fully covered by the interests, it shall be settled by the counterpart funds (according to Circular No.111/2016/TT-BTC dated 30 June 2016).

3. Cash at bank

	31/12/2019 VND	31/12/2018 VND
Advance Account (USD)	26,556,455,246	2,322,837,201
Deposit Account (VND)	155,621,595	967,676,794
	26,712,076,841	3,290,513,995

4. Advances to contractors

	31/12/2019	31/12/2018 (Reclassified)
	VND	VND
Consulting Services		
EPTISA SERVICIOS DE INGENIERIA, S.L.	-	2,763,597,610
AAC Auditing and Accounting Co., Ltd	538,000,000	538,000,000
Institute of Construction Economics	60,000,000	-
Resettlement and Land Acquisition		
Land development center of Buon Don District	65,040,600	65,040,600
	663,040,600	3,366,638,210

5. Expenditures

Expenditures by funding and by categories

Category	Year ended 31/12/2019		
	Loan	Courterpart fund	Total
	Number 2961-VIE VND	VND	VND
Resettlement and Land Acquisition	-	-	-
Civil Works (i)	87,946,837,599	-	87,946,837,599
Consulting Services	8,993,118,035	-	8,993,118,035
Interest and commitment fees	10,219,617,660	1,901,820,419	12,121,438,079
Project management costs	-	1,132,379,757	1,132,379,757
Others (ii)	-	10,987,000	10,987,000
	107,159,573,294	3,045,187,176	110,204,760,470

Category	Accumulated to 31/12/2019		
	Loan	Courterpart fund	Total
	Number 2961-VIE VND	VND	VND
Resettlement and Land Acquisition	-	9,100,216,312	9,100,216,312
Civil Works (i)	390,024,412,652	-	390,024,412,652
Consulting Services	17,982,351,907	15,139,710,639	33,122,062,546
Interest and commitment fees	18,632,346,070	1,901,820,419	20,534,166,489
Project management costs	-	4,419,965,461	4,419,965,461
Others (ii)	-	1,575,192,939	1,575,192,939
	426,639,110,629	32,136,905,770	458,776,016,399

(i) Of which, VND 148,419,082,880 is related to the contractor mentioned in Note 6.

(ii) Including Bomb/mine demining expenses, gender action expenses and bank charges.

Eligible disbursements funded by Loan Number 2961 - VIE dated 23 May 2013 with the rate as follows:

	<u>Original</u>	<u>From 20/03/2017 (iii)</u>
Civil works	82.70 % (including tax)	100.00 % (excluding tax)
Consulting services	84.00 % (including tax)	100.00 % (excluding tax)
Interest and commitment fees	100.00 %	100.00 %

(iii) As Official document No. 4529/BTC-QLN dated 17 April 2019 by the Ministry of Finance, 100% eligible disbursements (excluding tax) stated on all withdrawal applications since 20 March 2017 are financed by the ADB fund.

Reconciliation between Project Implementation Expenditures on Statement of Financial Position and Disbursement on Statement of Receipts and Disbursements as at 31/12/2019

	<u>VND</u>	<u>VND</u>
Project Implementation Expenditures		458,776,016,399
Add:		
Value added tax deductible	40,568,077,704	
Advances to contractors	663,040,600	
Advances to staff	26,550,000	
Offset bid expenses	100,679,924	
Offset bank charges	10,289,971	
		41,368,638,199
Deduct:		
Payables to contractors	(72,139,975,410)	
Payables to staff	(148,604,611)	
		(72,288,580,021)
Disbursement accumulated to 31/12/2019		427,856,074,577

6. Payables to contractors

	<u>31/12/2019</u>	<u>31/12/2018</u>
	<u>VND</u>	<u>(Reclassified)</u>
		<u>VND</u>
Civil Works		
Dai Phu Thinh Co., Ltd. (i)	31,715,791,190	22,425,995,529
Water Supply Sewerage Construction and Pumps Europe JSC	10,232,426,280	22,314,833,339
Vietnam Water and Environment Investment Corporation	13,295,073,349	12,639,937,698
Ha Huy JSC	9,873,338,323	5,779,717,531
	4,420,136,795	2,955,858,725
Consulting Services		
CEN JSC	2,128,814,651	2,128,814,651
Others	474,394,822	388,594,822
	72,139,975,410	68,633,752,295

(i) The awarded contractor of the package DLCW02 – Water processing station with daily capacity of 35,000 m³, transmission pipeline to booster pump station.

7. Funds received from the Asian Development Bank

	Year ended 31/12/2019		Accumulated to 31/12/2019	
	Original Currency	Converted to VND	Original Currency	Converted to VND
Advance account (USD)	3,211,222.69	74,281,321,127	8,754,225.70	200,693,901,522
Advance	-	-	2,156,700.00	48,428,698,500
Replenishment	3,211,222.69	74,281,321,127	6,597,525.70	152,265,203,022
Direct payment (VND)	48,607,663,148	48,607,663,148	166,382,072,886	166,382,072,886
Capitalization of interest and commitment fees (USD)	438,688.30	10,219,617,660	811,043.91	18,632,346,070
		133,108,601,935		385,708,320,478

8. Foreign exchange differences

	31/12/2019 VND	31/12/2018 (Reclassified) VND
Foreign exchange differences due to revaluation of cash balance	973,497,522	830,928,716
	973,497,522	830,928,716

9. Other disbursements

	Year ended 31/12/2019 VND	Accumulated to 31/12/2019 VND
Bomb/mine demining	-	1,448,901,000
Bank charges	29,006,563	99,943,834
Bid expenses	-	72,407,000
Expenditure on gender action	10,987,000	64,911,000
	39,993,563	1,686,162,834

10. Subsequent events

There have been no significant events occurring after the reporting date, which would require adjustments or disclosures to be made in the financial statements.

11. Corresponding figures

The corresponding figures are the financial statements for the year ended 31 December 2018 which were audited by AASC Limited, in which some figures have been reclassified as follows:

	Accumulated to 31 December 2018			Reason
	Reported	Reclassified	Difference	
	(a)	(b)	(b)-(a)	
Statement of financial position				
Assets	384,877,055,541	387,394,203,175	2,517,147,634	
Advances to contractors	2,845,765,680	3,366,638,210	520,872,530	(i)
Project implementation expenditures	346,574,980,825	348,571,255,929	1,996,275,104	(i), (ii) & (iii)
Funds	384,877,055,541	387,394,203,175	2,517,147,634	
Project Implementation Funds	315,082,290,029	317,602,594,715	2,520,304,686	
- Asian Development Bank	250,079,413,857	252,599,718,543	2,520,304,686	(ii)
Foreign exchange differences	834,085,768	830,928,716	(3,157,052)	(iii)
Statement of receipts and disbursements				
I. Receipts	315,223,846,361	317,744,151,047	2,520,304,686	
1. Received from the Asian Development Bank	250,079,413,857	252,599,718,543	2,520,304,686	(ii)
II. Disbursements	312,393,765,550	314,910,913,184	2,517,147,634	
2. Civil works	267,129,737,970	267,108,617,856	(21,120,114)	(iii)
3. Consulting services	25,485,112,534	25,503,075,596	17,963,062	(iii)
4. Interest and commitment fees	5,892,423,724	8,412,728,410	2,520,304,686	(ii)

- (i) Re-adjustment of the Foreign contractor tax over recognized
- (ii) Recognition of interest and commitment fees in the last 6 months of 2018
- (iii) Adjustment of the project implementation expenditures due to the impact of foreign exchange differences

12. Approval of the Financial Statements

The financial statements were approved by Project Management Unit for issuance on 30 June 2020.



Nguyen Khac Dan
Director

Dak Lak, 30 June 2020


Tran Quoc Do
Chief Accountant