

Audited Project Financial Statements

Project Number: 41456-043

Loan Number: 3251

Period covered: 1 January 2020 – 30 April 2021

Viet Nam: Water Sector Investment Program – Tranche 3

Prepared by Quang Nam Water Supply and Drainage JSC.

For the Asian Development Bank

Date received by ADB: 30 June 2021

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 Quang Nam PPC.

**WATER SUPPLY SYSTEM FOR TAM HIEP
AND DIEN NAM – DIEN NGOC URBAN PROJECT**

Loan Number 3251 – VIE

AUDITED PROJECT FINANCIAL STATEMENTS
For the period from 01/01/2020 to 30/04/2021



ASIAN DEVELOPMENT BANK
VIETNAM RESIDENT MISSION

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REPORT OF THE PROJECT MANAGEMENT UNIT

The Management Unit of Investment and Construction Projects of Quang Nam Water Supply and Drainage JSC ("the Project Management Unit") presents this report and the Project Financial statements of the Water supply system for Tam Hiep and Dien Nam – Dien Ngoc Urban Project ("the Project") under the Loan Number 3251 – VIE signed 19 November 2015 for the period from 01/01/2020 to 30/04/2021.

The Project

The Water supply system for Tam Hiep and Dien Nam – Dien Ngoc Urban Project is a sub-project of the Viet Nam Water Sector Investment Program, which is invested by Quang Nam Water Supply and Drainage JSC ("Quang Nam WS"). In addition to the counterpart funds, the Project is also financed by the Asian Development Bank ("ADB") under the Loan Number 2961 – VIE signed on 23 May 2013 and the Loan Number 3251 – VIE signed on 19 November 2015 ("the Agreements").

The Project Management Unit

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

Mr. Ngo Duc Trung	Director	
Mr. Hoang Kim Tam	Deputy Director	
Mrs. Nguyen Thi Doan Ai	Chief Accountant	Appointed on 12 March 2021
Mr. Nguyen Huu Y	Chief Accountant	Resigned on 12 March 2021

Auditors

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

Responsibilities of the Project Management Unit

The Project Management Unit is responsible for preparing the project 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 Project 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 Project 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 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 Number 3251 – VIE signed on 19 November 2015;
- ▶ 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 Number 3251 – VIE signed on 19 November 2015.

Water supply system for Tam Hiep and Dien Nam – Dien Ngoc Urban Project
Loan Number 3251 – VIE



Quang Nam, 24 June 2021

No.: 240621.003/BCTC.FIS2

INDEPENDENT AUDITORS' REPORT ON THE PROJECT FINANCIAL STATEMENTS

**To: The Management Unit of Investment and Construction Projects
Quang Nam Water Supply and Drainage JSC**

Opinion

We have audited the accompanying Financial statements of the Water supply system for Tam Hiep and Dien Nam – Dien Ngoc Urban Project ("the Project") under the Loan Number 3251 – VIE signed 19 November 2015 which comprise Statement of Financial Position as at 30 April 2021, Statement of Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account, Statement of Withdrawals and Reconciliation of Funds and Notes to the Project Financial statements for the period from 01/01/2020 to 30/04/2021, including a summary of significant accounting policies.

In our opinion, 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 30 April 2021, funds received and expenditures incurred, movements of the Advance Account for the period from 01/01/2020 to 30/04/2021 in accordance with the basis of the principal accounting policies described in the Notes to the Project Financial statements and the provisions of the Loan Number 3251 – VIE signed on 19 November 2015.

Basis of Opinion

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 Project 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 opinion.

Responsibilities of Project Management Unit 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 Project 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 Project Financial statements, the Project Management Unit 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 Project Financial statements

Our objectives are to obtain reasonable assurance about whether the Project Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Project Financial statements.

As part of an audit in accordance with 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 Project Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Project Financial statements, including the disclosures, and whether the Project Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Project Management Unit, 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.



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

Hanoi, 24 June 2021

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

STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Note	30/04/2021 VND	31/12/2019 VND
CURRENT ASSETS		65,372,719,623	49,053,495,507
Cash on hand		4,987,000	17,967,000
Cash at bank	03	3,240,138,046	1,084,082,131
Deductible Value added tax		54,117,917,227	42,609,079,766
Foreign contractor tax receivable		-	102,941,307
Advances to staff		4,909,100,359	3,441,505,183
Other receivable		256,590,940	-
Advances to contractors	04	2,843,986,051	1,797,920,120
NON-CURRENT ASSETS		588,175,353,165	463,406,405,552
Project Implementation Expenditures	06	588,175,353,165	463,406,405,552
TOTAL ASSETS		653,548,072,788	512,459,901,059
CURRENT LIABILITIES		39,802,749,156	69,192,391,137
Payables to contractors	05	39,797,749,156	69,192,391,137
Other payables		5,000,000	-
FUNDS		613,745,323,632	443,267,509,922
Project Implementation Funds		613,742,740,606	443,205,253,367
- The Asian Development Bank	07	562,150,362,469	397,321,599,871
- Quang Nam Province State budget		6,282,227,873	6,282,227,873
- Quang Nam Water Supply and Drainage JSC		45,310,150,264	39,601,425,623
Foreign exchange differences		2,583,026	62,256,555
TOTAL RESOURCES		653,548,072,788	512,459,901,059

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the period from 01/01/2020 to 30/04/2021

	Note	Accumulated to 31/12/2019 VND	For the period from 01/01/2020 to 30/04/2021 VND	Accumulated to 30/04/2021 VND
RECEIPTS				
Received from the Asian Development Bank		397,321,599,871	164,828,762,598	562,150,362,469
Received from Quang Nam Province State budget		6,282,227,873	-	6,282,227,873
Received from Quang Nam Water Supply and Drainage JSC		39,601,425,623	5,708,724,641	45,310,150,264
		443,205,253,367	170,537,487,239	613,742,740,606
DISBURSEMENTS				
Civil Works		380,411,036,497	152,705,950,452	533,116,986,949
Resettlement and Land Acquisition		12,188,027,897	194,344,000	12,382,371,897
Consulting Services		23,970,111,035	1,629,728,956	25,599,839,991
Interest charges, commitment fees and borrowing costs		17,619,955,184	9,327,594,164	26,947,549,348
Project management and other disbursements		7,976,330,178	4,482,120,223	12,458,450,401
	08	442,165,460,791	168,339,737,795	610,505,198,586
FOREIGN EXCHANGE DIFFERENCES DUE TO REVALUATION OF CASH		62,256,555	(59,673,528)	2,583,027
RECONCILIATION AS AT CLOSING		1,102,049,131	2,138,075,915	3,240,125,046
<i>Presented by:</i>				
Cash on hand		17,967,000		4,987,000
Cash at bank	03	1,084,082,131		3,240,138,046
Other payables		-		(5,000,000)
		1,102,049,131		3,240,125,046

STATEMENT OF BUDGET VERSUS ACTUAL DISBURSEMENTS

For the period from 01/01/2020 to 30/04/2021

Categories	Budget Disbursements			Actual Disbursements			Variance			Rate
	ADB Funds	Counterpart Fund	Total	ADB Funds	Counterpart Fund	Total	ADB Funds	Counterpart Fund	Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	
Civil Works	149,786,363,636	14,978,636,364	164,765,000,000	152,705,950,453	-	152,705,950,453	2,919,586,817	(14,978,636,364)	(12,059,049,547)	93%
Resettlement and Land Acquisition	-	300,000,000	300,000,000	-	194,344,000	194,344,000	-	(105,656,000)	(105,656,000)	65%
Consulting Services	2,850,000,000	285,000,000	3,135,000,000	1,130,765,170	498,963,786	1,629,728,956	(1,719,234,830)	213,963,786	(1,505,271,044)	52%
Interest charges, commitment fees and borrowing costs	10,000,000,000	955,731,535	10,955,731,535	8,371,862,629	955,731,535	9,327,594,164	(1,628,137,371)	-	(1,628,137,371)	85%
Project management	-	7,700,000,000	7,700,000,000	-	4,482,120,221	4,482,120,221	-	(3,217,879,779)	(3,217,879,779)	58%
	162,636,363,636	24,219,367,899	186,855,731,535	162,208,578,252	6,131,159,542	168,339,737,795	(427,785,384)	(18,088,208,356)	(18,515,993,740)	90%

The budget disbursement in period from 01/01/2020 to 30/04/2021 was prepared based on Decision 17B/CTN-TGD dated 21 January 2020 on the disbursement of ODA funds, the Project Management Unit's estimation and the Project's implementation progress.

STATEMENT OF ADVANCE ACCOUNT

For the period: from 01 January 2020 to 30 April 2021
 Account No: 1010495989
 Serving bank: Saigon – Hanoi Commercial Joint Stock Bank – Quang Nam Branch
 Address: No. 215 Phan Boi Chau Street, Tan Thanh Ward, Tam Ky City, Quang Nam Province
 Agreement: 3251-VIE

	Note	USD	USD
PART A: ACTIVITIES			
Opening balance			27,881.00
Add: Total amounts deposited by the ADB			323,914.00
Deduct:			
- Total amounts withdrawn		(212,661.39)	
- Bank charge		(10.00)	
			(212,671.39)
Closing balance			139,123.61
PART B: RECONCILIATION			
1. Amount advanced by the ADB			250,000.00
2. Deduct: Amount recovered by the ADB			(110,866.39)
3. Present outstanding amount advanced to			139,133.61
4. Closing balance of the Advance Account			139,123.61
5. Add: Bank charge			10.00
6. Total advances accounted for			139,133.61

STATEMENT OF WITHDRAWALS AND RECONCILIATION OF FUNDS

For the period from 01/01/2020 to 30/04/2021

Withdrawal applications			Claimed			Received		Variances	Note
Number	Date	Currency	Civil Works	Consulting services	Total	Date	Amount		
					(a)		(b)	(b) - (a)	
Advance account			75,328.39	257,657.00	332,985.39		222,119.00	(110,866.39)	
QN039	20/02/2020	USD	-	222,119.00	222,119.00	23/03/2020	222,119.00	-	
QN051	04/03/2021	USD	75,328.39	35,538.00	110,866.39		-	(110,866.39)	(i)
Reimbursement (VND)			-	273,576,000	273,576,000		273,576,000	-	
QN049	02/12/2020	VND	-	273,576,000	273,576,000	18/12/2020	273,576,000	-	
Direct payment			150,959,085,089	-	150,959,085,089		150,959,085,089	-	
QN037	16/01/2020	VND	4,798,988,455	-	4,798,988,455	13/02/2020	4,798,988,455	-	
QN038	16/01/2020	VND	7,693,722,454	-	7,693,722,454	13/02/2020	7,693,722,454	-	
QN040	09/04/2020	VND	6,049,987,273	-	6,049,987,273	23/04/2020	6,049,987,273	-	
QN041	30/03/2020	VND	13,975,170,000	-	13,975,170,000	27/04/2020	13,975,170,000	-	
QN043	08/05/2020	VND	7,079,625,454	-	7,079,625,454	09/06/2020	7,079,625,454	-	
QN044	15/07/2020	VND	11,757,086,364	-	11,757,086,364	04/08/2020	11,757,086,364	-	
QN045	21/08/2020	VND	6,123,174,274	-	6,123,174,274	02/10/2020	6,123,174,274	-	
QN046	21/08/2020	VND	17,176,772,180	-	17,176,772,180	02/10/2020	17,176,772,180	-	
QN047	02/12/2020	VND	28,355,081,365	-	28,355,081,365	21/12/2020	28,355,081,365	-	
QN048	02/12/2020	VND	24,874,477,270	-	24,874,477,270	16/12/2020	24,874,477,270	-	
QN050	28/01/2021	VND	23,075,000,000	-	23,075,000,000	04/03/2021	23,075,000,000	-	
Total in VND			150,959,085,089	273,576,000	151,232,661,089		151,232,661,089	-	
Total in USD			75,328.39	257,657.00	257,657.00		222,119.00	(110,866.39)	

(i) Amount recovered by the ADB

NOTES TO THE PROJECT FINANCIAL STATEMENTS

For the period from 01/01/2020 to 30/04/2021

1. Background

The Water supply system for Tam Hiep and Dien Nam – Dien Ngoc Urban Project ("the Project") is a sub-project of the Viet Nam Water Sector Investment Program ("the Program"), which is invested by Quang Nam Water Supply and Drainage JSC ("Quang Nam WS"). In addition to the counterpart funds, the Project is financed by the Asian Development Bank ("ADB") under the Loan Number 2961 – VIE and the Loan Number 3251 – VIE ("the Agreements").

The main objectives of the Project are: (i) Constructing Dien Nam - Dien Ngoc water supply system with capacity of 15,000 m³/day each to supply water to 9 communes, Dien Nam - Dien Ngoc Industrial Park, Trang Nhat 1, 2 Industrial Park, and Dien Ban District Tourist Area; and (ii) Expansion of the Tam Hiep water supply system with a capacity from 5,000 m³/day to 20,000 m³/day for the purpose of providing sustainable water supply services for Chu Lai Economic Zone.

The Project includes 02 components as below:

Component 1: Constructing Dien Nam - Dien Ngoc urban water supply system

- ▶ Constructing a pumping station and a raw water pump station with the capacity of 15,000 m³/day at Bau Sau River;
- ▶ Installing a rough water pipeline of about 2.4 km to drain water from the crude water pump station to Dien Nam - Dien Ngoc Water Plant;
- ▶ Constructing Dien Nam - Dien Ngoc Water Plant with a capacity of 15,000m³/day for the phase I in 2013 - 2016 in Trang Nhat 1 Industrial Zone, Dien Bien District, including a tank of 32,000m³ of raw water, a treatment group of 15,000 m³/day, a fresh water tank of 2,000 m³/day, a second level pump station and a filtration system, electrical equipment and drainage system using Lamem sedimentation technology;
- ▶ Constructing of a fresh water tank of 2,000 m³, sedimentation ponds for settling tanks and wastewater treatment tanks; constructing raw water pumping stations of 15,000 m³/day, grade II water supply stations for water supply and pressure requirements;
- ▶ Constructing a 18 km long transmission pipeline system using HDPE D400 and D300 pipes, 54 km of distribution pipeline using HDPE D110, D160, D225 and D250 pipes, 90 km of service pipeline and installing 8,000 consumption meters.

Component 2: Expansion of Tam Hiep water supply system

- ▶ Expansion of Tam Hiep water plant with a capacity from 5,000 m³/day to 20,000 m³/day with constructing of a new production unit of 15,000 m³/day in Bich Son village, Tam Xuan commune, Nui Thanh district and using fast filter technology;
- ▶ Constructing a D400 300m long raw water pipe from the raw water pump station in Phu Ninh lake to the water treatment plant in Tam Xuan 2 commune;
- ▶ Constructing a fresh water tank of 2,000 m³, sedimentation ponds for settling tanks and wastewater treatment tanks; constructing of raw water pumping stations of 15,000 m³/day, grade II water supply stations for water supply and pressure requirements;
- ▶ Building auxiliary works: operator, chemical house, workshop, warehouse, gate, fence, tree, internal road, drainage, electricity, new transformer station 560KVA - 22/0.4 KV;
- ▶ Constructing and installing of 18.1 km D500, D400 and D300 transmission pipelines, 39 km of D110, D165 and D250 distribution pipelines, and 75 km of service pipeline for 8,000 households.

The Project officially came into operation on 29 March 2016 and closed on 30 April 2021.

The Project is managed by the Management Unit of Investment and Construction Projects of Quang Nam Water Supply and Drainage JSC ("the Project Management Unit"), and its office is located at No. 86-88 Phan Boi Chau Street, Tam Ky City, Quang Nam Province.

2. Principal Accounting Policies

a. Basis of accounting

The annual accounting period commenced from 1st January to 31st December.
The final accounting period commenced from 01/01/2020 to 30/04/2021.

The Project 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. Statement of Receipts and Disbursements is prepared on the cash basis.

These Financial statements are presented in Vietnam Dong (VND), except for Statements of Advance Account and Statement of Withdrawals and Reconciliation of Funds which are prepared in United State Dollar (USD) and Vietnam Dong (VND). These 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 to VND under buying exchange rate of Saigon – Hanoi Commercial Joint Stock Bank – Quang Nam Branch ("the serving bank") on dates of remittance made into Advance Account or direct payment made to contractors/suppliers. Capitalization of interest charges and commitment fees (Note 2c) in USD is converted to VND under monthly exchange rate of the Ministry of Finance in the month of announcement by the ADB.

Transactions in foreign currencies are converted to VND under actual exchange rates of the serving bank on transaction dates. Monetary items denominated in foreign currencies are revalued annually at the actual exchange rate (buying exchange rate with assets / selling exchange rate with liabilities) of the serving bank at balance sheet date. 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 (ADB) are recorded when direct payments are made from ADB to contractors/suppliers or remittance are made into Advance Account. Of which, capitalization of interest charges and commitment fees are recognized upon announcement by the VDB – Quang Nam Branch (twice per year);
- ▶ Counterpart funds received from Quang Nam Province State budget are recorded when payments are made directly to contractors/suppliers of the Project or funds remitted to Quang Nam WS for settlement of the Project's activities;
- ▶ Counterpart funds received from Quang Nam WS 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 (excluding tax) are recorded when they are actually incurred, except for salary costs in "Project management costs" that are allocated upon people assigned to the Project and rates approved by the funds of Quang Nam WS;
- ▶ Value added tax is declared and deducted at Quang Nam WS. Value added tax deductibles is separately presented as an item on Statement of Financial Position.

d. Advance Account and its interest

Advance Account is the deposit account in USD opened at the serving bank 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 3251 – VIE signed on 19 November, 2015.

Interest of the Advance Account is considered as receipts of Quang Nam WS and initially recorded as Other payables in Statement of Financial Position. They are used to cover bank charges. At the end of the Project, outstanding interests will be returned to Quang Nam Water Supply and Drainage JSC. In case bank charges are not fully covered by the interests, Quang Nam Water Supply and Drainage JSC will plan to settle by the counterpart funds (according to Decree No.56/2020/ND-CP dated 25 May 2020).

3. Cash at bank

	30/04/2021	31/12/2019
	VND	VND
Current account (VND)	20,266,286	433,032,321
Current account (USD)	3,219,871,760	651,049,810
	3,240,138,046	1,084,082,131

4. Advance to contractors

	30/04/2021	31/12/2019
	VND	VND
Consulting Services		
International Engineering Consultant JSC	1,600,000,000	1,600,000,000
Others	272,126,931	52,000,000
Resettlement and Land Acquisition		
Dien Ban Industry - Commerce and Service Development Center	89,031,472	89,031,472
Clearance - Compensation Department of Management Chu Lai Open Economic Zone	54,588,000	54,588,000
Ky Ha Chu Lai Development and Investment Co., Ltd	2,300,648	2,300,648
Others		
Hoi An grassroots trees	700,000,000	-
Department of Construction of Quang Nam	125,939,000	-
	2,843,986,051	1,797,920,120

5. Payable to contractors

	30/04/2021	31/12/2019
	VND	VND
Civil Works		
Dai Phu Thinh Co., Ltd	19,238,633,406	38,332,303,359
Pumps Europe JSC	14,054,843,111	19,895,702,018
Ha Lan Co., Ltd	5,261,319,857	9,583,041,040
Other	55,611,000	208,769,090
Consulting Services		
International Engineering Consultant JSC	1,187,341,782	1,172,575,630
	39,797,749,156	69,192,391,137

6. Expenditures by categories and by funds

	For the period from 01/01/2020 to 30/04/2021			Accumulated to 30/04/2021		
	ADB Funds	Counterpart funds	Total	ADB Funds	Counterpart funds	Total
	VND	VND	VND	VND	VND	VND
Civil Works	112,227,000,365	-	112,227,000,365	512,617,494,910	-	512,617,494,910
Resettlement and Land Acquisition	-	-	-	-	8,681,432,594	8,681,432,594
Consulting Services	815,633,183	-	815,633,183	20,330,350,150	-	20,330,350,150
Interest charges, commitment fees and borrowing costs	8,371,862,629	955,731,535	9,327,594,164	25,991,817,813	955,731,535	26,947,549,348
Project management and other disbursements	-	2,398,719,901	2,398,719,901	-	19,598,526,163	19,598,526,163
	121,414,496,177	3,354,451,436	124,768,947,613	558,939,662,873	29,235,690,292	588,175,353,165

In which, expenditures incurred before the effective date of Loan Number 3251 – VIE (29 March 2016) is VND 14,333,024,488.

7. Funds received from the Asian Development Bank

	For the period from 01/01/2020 to 30/04/2021		Accumulated to 30/04/2021	
	Original	Converted to VND	Original currency	Converted to VND
Advance account (USD)	222,119.00	5,224,238,880	914,124.00	21,206,881,030
Advance	-	-	250,000.00	5,668,750,000
Replenishment (USD)	222,119.00	5,224,238,880	664,124.00	15,538,131,030
Reimbursement (VND)	-	273,576,000	-	273,576,000
Direct payments		150,959,085,089		514,678,087,626
VND	150,959,085,089	150,959,085,089	510,870,629,546	510,870,629,546
USD	-	-	167,906.00	3,807,458,080
Capitalization of interest charges and commitment fees (USD)	360,472.78	8,371,862,629	1,130,693.97	25,991,817,813
		164,828,762,598		562,150,362,469

8. Disbursements

a. Disbursements by categories and by funds

	For the period from 01/01/2020 to 30/04/2021			Accumulated to 30/04/2021		
	ADB Funds	Counterpart funds	Total	ADB Funds	Counterpart funds	Total
	VND	VND	VND	VND	VND	VND
Civil Works	152,705,950,453	-	152,705,950,453	512,617,494,910	18,733,117,790	531,350,612,700
Resettlement and Land Acquisition	-	194,344,000	194,344,000	-	12,382,371,897	12,382,371,897
Consulting Services	1,130,765,170	498,963,786	1,629,728,956	20,330,350,150	4,995,913,841	25,326,263,991
Interest charges, commitment fees and borrowing costs	8,371,862,629	955,731,535	9,327,594,164	25,991,817,813	955,731,535	26,947,549,348
Project management and other disbursements	-	4,482,120,221	4,482,120,221	-	14,498,400,650	14,498,400,650
	162,208,578,252	6,131,159,542	168,339,737,795	558,939,662,873	51,565,535,712	610,505,198,586

Disbursements are financed under the Loan Number 3251 – VIE signed on 19 November 2015 as below:

Agreement	Categories	Funding rate (%)
Loan Number 3251 – VIE	Civil Works, Consulting Services, Interest charges and commitment fees	100% expenditures excluding tax

b. Reconciliation between Project Implementation Expenditures on Statement of Financial Position and Disbursement on Statement of Receipts and Disbursements as at 30 April 2021

	VND	VND
Project Implementation Expenditures		588,175,353,165
Add:		
Deductible Value added tax	54,117,917,227	
Advances to staff	4,909,100,359	
Other receivable	256,590,940	
Advances to contractors	2,843,986,051	
		62,127,594,577
Deduct: Payable to contractors		(39,797,749,156)
Disbursements accumulated to closing		610,505,198,586

9. Subsequent events

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

10. Corresponding figures

The corresponding figures are the financial statements for the year ended 31 December 2019 which were audited by AASC Limited, in which some items are restated as follows:

	Accumulated to 30/04/2021		
	Restated	Presented	Variances
	Counterpart funds	Counterpart funds	
	VND	VND	
Disbursements in Note 08			
Civil Works	18,733,117,790	20,499,492,040	(1,766,374,250)
Consulting Services	4,496,950,055	4,770,526,055	(273,576,000)
Project management and other disbursements	10,016,280,428	7,976,330,178	2,039,950,250
	Accumulated to 30/04/2021		
	Restated	Presented	Variances
	ADB Funds	ADB Funds	
	VND	VND	VND
Expenditures in Note 06			
Civil Works	400,390,494,545	408,896,515,906	(8,506,021,361)
Consulting Services	19,514,716,967	20,455,906,149	(941,189,182)

**Water supply system for
Tam Hiep and Dien Nam – Dien Ngoc Urban Project**
Loan Number No. 3251 – VIE

Financial Statements
For the period
from 01/01/2020 to 30/04/2021

Accumulated to 30/04/2021		
Restated	Presented	Variances
Counterpart funds	Counterpart funds	Counterpart funds
VND	VND	VND

Expenditures in note 06

Project management and other disbursements	17,199,806,262	7,752,595,719	9,447,210,543
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11. Approval of the Project Financial statements

The Project Financial statements were approved by the Project Management Unit for issuance on 24 June 2021.



Ngô Đức Trung
Director

Quang Nam, 24 June 2021

Nguyen Thi Doan Ai
Chief Accountant