

# Audited Project Financial Statements

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Project Number: 41456-043

Loan Number: 3251

Period covered: 1 January to 31 December 2018

## Viet Nam: Water Sector Investment Program – Tranche 3

Prepared by Cua Lo Water Supply JSC

For the Asian Development Bank

Date received by ADB: 1 July 2019

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 Nghe An PPC.



Grant Thornton

# Financial statements and Independent Auditors' Report

Cua Lo Water Supply Upgrading and Expanding Project

Viet Nam Water Sector Investment Program

Project 3 - Loan Number 3251-VIE, OCR fund of ADB

For the year ended 31 December 2018



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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 the Cua Lo Water Supply Upgrading and Expanding Project – Loan No. 3251-VIE ("the Project") for the year ended 31 December 2018 ("the year").

## The Project Management Unit

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

### Project Management Unit

Mr. Nguyen Huu Luan	Director of Project Management Unit
Mr. Nguyen Dau Luong	Deputy Director of Project Management Unit
Ms. Dam Thi Thanh Thuy	Chief Accountant of Project Management Unit

## Statement of the Project Management Unit

The Project Management Unit is responsible for preparing Financial Statements for the year ended 31 December 2018 which give a true and fair view of:

- the financial position of the Project;
- the funds received and expended for the year;
- the cash flow during the year;
- the activities of the advance account for the year and the balance of this account as at 31 December 2018;
- the funds withdrawn for the year; and
- the actual expenditures 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 3251-VIE between Socialist Republic of Vietnam and Asian Development Bank ("ADB") and the Project Administration Manual;
- make judgments 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.

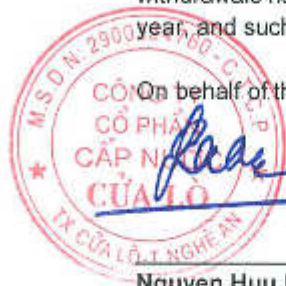
The Project Management Unit is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Project and to ensure that the accounting records comply with the accounting system as described in Note 3 to the financial 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. 3251-VIE 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 17 which give a true and fair view of the fund balance of Cua Lo Water Supply Upgrading and Expanding Project - Loan No. 3251-VIE as at 31 December 2018, the funds received and expenditures, Statement of cash flow for the year then ended, the balance of the Project's Advance Account for the Loans from ADB as at 31 December 2018 as well as movement of this account for the year then ended and statements of actual expenditures and budget, in accordance with the accounting policies as described in Note 3 to the financial statements. 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 year, and such statements of expenditure were adequately supported.

On behalf of the Project Management Unit,



**Nguyen Huu Luan**  
Director of Project Management Unit

Nghệ An, Vietnam  
20 June 2019





## Independent Auditors' Report

on the financial statements of  
Cua Lo Water Supply Upgrading and Expanding Project  
Loan Number 3251-VIE  
for the year ended 31 December 2018

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No. 16-11-239-4

To: The Project Management Unit  
Cua Lo Water Supply Upgrading and Expanding Project

### Auditors' opinion

We have audited the accompanying financial statements of Cua Lo Water Supply Upgrading and Expanding Project financed under the Asian Development Bank Loan Agreement No. 3251-VIE, prepared on 20 June 2019, which include Balance Sheet as at 31 December 2018, Statement of income and expenditures, Statement of cash flow, Statement of advance account, Statement of loan withdrawals and Statement of actual expenditures and budget for the year then ended, 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 17.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position as at 31 December 2018 as well as of the funds received and expenditures and the cash flows of the Project for the year then ended 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of 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 Unit are responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies as described in Note 3 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 Project Management Unit.

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.





# Balance sheet

as at 31 December 2018

	Notes	31 December 2018 VND	31 December 2017 VND
<b>ASSETS</b>			
Cash and cash equivalents		98,746,695	281,411,376
Cash	4	98,746,695	281,411,376
Receivables		-	25,974,764,636
Advance to contractors	5	-	25,974,764,636
Expenditures		178,721,622,944	2,921,118,422
Project implementation expenditures	9	178,721,622,944	2,921,118,422
<b>TOTAL ASSETS</b>		<b>178,820,369,639</b>	<b>29,177,294,434</b>
<b>RESOURCES</b>			
Payables		40,897,905,962	-
Payable to suppliers	6	40,897,905,962	-
<b>FUNDS</b>			
Funds		137,864,313,292	29,177,294,434
- Loan from Asian Development Bank	7	134,711,458,769	26,792,895,167
- Counterpart fund	8	3,152,854,523	2,384,399,267
Foreign exchange differences		58,150,385	-
<b>TOTAL RESOURCES</b>		<b>178,820,369,639</b>	<b>29,177,294,434</b>



Nghe An, Vietnam

20 June 2019

CÔNG TY

CÔNG PHÁP

CẤP QUẢN LÝ

CỦA LÒ

QUẢN LÝ TÀI NGUYÊN

Nguyen Huu Luan

Director of Project Management Unit

Dam Thi Thanh Thuy

PMU's Chief Accountant

# Statement of income and expenditures

for the year ended 31 December 2018

	Notes	For year ended 31 December 2018 VND	For year ended 31 December 2017 VND	Accumulated to 31 December 2018 VND
<b>INCOME</b>		<b>108,687,018,858</b>	<b>28,811,243,134</b>	<b>137,864,313,292</b>
Loan from Asian Development Bank	7	107,918,563,602	26,426,843,867	134,711,458,769
Counterpart fund	8	768,455,256	2,384,399,267	3,152,854,523
<b>EXPENDITURES</b>	9	<b>175,800,504,522</b>	<b>2,555,067,122</b>	<b>178,721,622,944</b>
Site clearance		-	1,883,233,598	1,883,233,598
Works		164,136,545,427	-	164,136,545,427
Goods		-	-	-
Consulting services		10,618,114,470	-	10,618,114,470
Interest and commitment charge		576,986,810	452,079,231	1,395,117,341
Administrative expenses		468,857,815	219,754,293	688,612,108
<b>(Deficit)/Surplus of income over expenditures</b>		<b>(67,113,485,664)</b>	<b>26,256,176,012</b>	<b>(40,857,309,652)</b>
Foreign exchange differences		58,150,385	-	58,150,385
<b>Fund balance at the beginning of the year</b>		<b>26,256,176,012</b>	<b>-</b>	<b>-</b>
<b>Fund balance at the end of the year</b>		<b>(40,799,159,267)</b>	<b>26,256,176,012</b>	<b>(40,799,159,267)</b>



Nghe An, Vietnam  
20 June 2019

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Nguyen Huu Luan  
Director of Project Management Unit

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Dam Thi Thanh Thuy  
PMU's Chief Accountant

# Statement of cash flows

for the year ended 31 December 2018

	Note	For year ended 31 December 2018 VND	For year ended 31 December 2017 VND (Restated)	Accumulated to 31 December 2018 VND
<b>RECEIPTS</b>		<b>108,687,018,858</b>	<b>28,811,243,134</b>	<b>137,864,313,292</b>
Loan from Asian Development Bank		107,918,563,602	26,426,843,867	134,711,458,769
Counterpart fund		768,455,256	2,384,399,267	3,152,854,523
<b>DISBURSEMENTS</b>	10	<b>108,869,683,539</b>	<b>28,529,831,758</b>	<b>137,765,566,597</b>
Site clearance		-	1,883,233,598	1,883,233,598
Works		101,392,712,470	22,824,251,995	124,216,964,465
Goods		-	-	-
Consulting services		6,431,126,444	3,150,512,641	9,581,639,085
Interest and commitment charge		576,986,810	452,079,231	1,395,117,341
Administrative expenses		468,857,815	219,754,293	688,612,108
(Deficit)/Surplus of sources over uses of funds		(182,664,681)	281,411,376	98,746,695
Foreign exchange differences		-	-	-
Cash balance at the beginning of the year		281,411,376	-	-
Cash balance at the end of the year		98,746,695	281,411,376	98,746,695

Nghe An, Vietnam  
20 June 2019

Nguyen Huu Luan  
Director of Project Management Unit

Dam Thi Thanh Thuy  
PMU's Chief Accountant

## Statement of advance account

For the year:	For year ended 31 December 2018
Account numbers:	403841000000536
Depository Bank:	The Vietnam Development Bank – Nghe An Branch
Address:	No 45, Duy Tan Road, Hung Phuc Ward, Vinh City, Nghe An
Credit Agreement:	No. 3251-VIE
Currency:	USD

For year ended  
31 December 2018  
USD

### Part A- Account activity

Opening balance as at 1 January 2018	-
Add:	
Advance from ADB during the year	-
Less:	
Total amount withdrawn from Advance Account	-
Closing balance as at 31 December 2018	

### Part B- Account reconciliation

Amount advanced by ADB at 1 January 2018	-
Amount advanced by ADB during the year	-
<b>Outstanding amount advanced to the Advance Account as at 31 December 2018</b>	

Account balance as at 31 December 2018	-
Add:	
Amount withdrawn but not yet claimed	-
<b>Outstanding amount advanced to the Advance Account as at 31 December 2018</b>	

Nghe An, Vietnam  
20 June 2019

Nguyen Huu Luan  
Director of Project Management Unit

**Dam Thi Thanh Thuy**  
PMU's Chief Accountant



# Statement of loan withdrawals

for the year ended 31 December 2018

Withdrawal number	Date of application	Advance	Amount claimed – For the year ended 31 December 2018			Amount disbursed		Difference (i)
			Works	Goods	Consulting services	Total	Date of disbursement	
CL003	6/1/2018	VND	-	37,040,456,937	-	37,040,456,937	6/22/2018	36,299,647,799
CL004	8/1/2018	VND	-	39,053,418,488	-	39,053,418,488	8/21/2018	39,053,418,488
CL005	6/1/2018	USD	-	-	143,094.03	143,094.03	6/22/2018	143,094.03
CL006	11/1/2018	VND	-	26,039,646,183	-	26,039,646,183	11/27/2018	26,039,646,183
CL007	11/1/2018	USD	-	-	116,525.69	116,525.69	11/27/2018	116,525.69
Total		VND	-	102,133,521,608	-	102,133,521,608		101,392,712,470
		USD	-	-	259,619.72	259,619.72		259,619.72

(i) It represents casting error when preparing Withdrawal Number CL003.

M.S.D.N 260033477  
CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM  
Độc lập - Tự do - Hạnh phúc  
20 June 2019



Nguyen Huu Luan  
Director of Project Management Unit

Dam Thi Thanh Thuy  
PMU's Chief Accountant

# Statement of actual expenditures and budget for the year ended 31 December 2018

	Actual expenditures		Budgeted expenditures		% of actual expenditures over budget	Variances VND
	Loan from ADB VND	Counterpart fund VND	Total VND	Loan from ADB VND	Counterpart fund VND	Total VND
Site clearance	-	-	-	-	-	-
Works	164,136,545,427	-	164,136,545,427	103,128,697,265	9,227,000,000	112,355,697,265
Goods	-	-	-	-	-	-
Consulting services	9,185,244,015	1,432,970,455	10,618,114,470	6,034,843,655	919,000,000	6,953,843,655
Interest and commitment charge	549,270,143	27,716,667	576,986,810	833,000,000	-	833,000,000
Administrative expenses	-	468,857,815	468,857,815	-	500,000,000	500,000,000
	<b>173,871,059,585</b>	<b>1,929,444,937</b>	<b>175,800,504,522</b>	<b>109,996,540,920</b>	<b>10,646,000,000</b>	<b>120,642,540,920</b>
						<b>146%</b>
						<b>55,357,963,602</b>

(i) Source of the budget expenditures is in accordance with Expenditures Plan for the years 2018, prepared by Project Management Unit – Cua Lo Water Supply Joint Stock Company.



Nguyen Huu Luan  
Director of Project Management Unit

Dam Thi Thanh Thuy  
PMU's Chief Accountant



# Notes to the financial statements

for the year ended 31 December 2018

## 1. The Project

On 23 May 2013, the Social Republic of Vietnam of Vietnam ("Borrower") signed Loan Agreement No. 2961-VIE - Viet Nam Water Sector Investment Program - Project 2, OCR fund of ADB, with Asian Development Bank ("ADB"). The financing amount under the Loan Agreement is USD212 million which allocated to the following water supply companies ("WSCs"):

Items	Project Holders	Million USD
Sub-Project 1: Binh Duong	BIWASE	39.90
Sub-Project 2: Dak Lak	DAKWACO	24.59
Sub-Project 3: Da Nang	DAWACO	30.00
Sub-Project 4: Hai Phong	HPWWSCO	56.80
Sub-Project 5: Quang Tri	QTWASUCO	20.50
Sub-Project 6: Thua Thien Hue	HUEWACO	35.16
Non-Physical Investments	Other WSCs	5.05
<b>Total</b>		<b>212.00</b>

Subsequently on 19 November 2015, the Social Republic of Vietnam of Vietnam ("Borrower") continuously signed Loan Agreement No. 3251-VIE - Viet Nam Water Sector Investment Program - Project 3, OCR fund of ADB, with Asian Development Bank ("ADB"). The financing amount under the Loan Agreement is USD142.5 million which allocated to the following water supply companies ("WSCs"):

Project Holders	Million USD
Quang Nam Water Supply and Sewerage JSC	23.30
Nghe An Water Supply Single Owner Co., Ltd	18.96
Cua Lo Water Supply Joint Stock Company	12.48
Thai Hoa Water Supply Single Owner Co., Ltd	9.21
Song Chu Water Supply Single Owner Co., Ltd	28.60
Bac Giang Water Supply and Sewerage Single Owner Co., Ltd	18.96
Thai Nguyen Water Supply Joint Stock Company	23.42
Interest and commitment charge allocated to WSCs	7.49
<b>Total</b>	<b>142.50</b>

Under the Subsidiary Loan Agreement dated 9 July 2013 for Loan Agreement No 2961-VIE and Subsidiary Loan Agreement dated 11 May 2016 for Loan Agreement No 3251-VIE, the Social Republic of Vietnam agreed Cua Lo Water Supply Joint Stock Company ("CUALOWACO") on-lending amounts of maximum USD370,000 and USD13,190,000, respectively to implement Cua Lo Water Supply Upgrading and Expanding Project ("the Project") with counterpart fund committed from CUALOWACO of USD2,910,000. Total financing under Subsidiary Loan Agreements are allocated by categories as follows:

No.	Categories	Counterpart fund from		Million USD
		ADB fund	CUALOWACO	
1	Construction work and equipment expense	9.85	-	9.85
2	Project administrative expenses	-	0.37	0.37
3	Consulting services for construction investment	1.39	-	1.39
4	Taxes	-	1.48	1.48
5	Compensation and site clearance expense	-	0.27	0.27
6	Provision expense	1.75	0.63	2.38
7	Interest, commitment and bank charges	0.57	-	0.57
8	Other expenses	-	0.16	0.16
<b>Total</b>		<b>13.56</b>	<b>2.91</b>	<b>16.47</b>

The objectives of the Project are:

- Build a water plant with capacity of 10,000 m3 per day;
- Construction of pipeline and distribution pipe D100-400;
- Investing in pipeline network services D40-90;
- Construction of a booster pump station, office building and auxiliary facilities; and
- Install water supply points for 7352 households.

The Project Management Unit's office is located at Block 1, Nghi Tan Ward, Cua Lo Town, Nghe An Province, Vietnam.

## 2. Fiscal year and accounting currency

### 2.1 Fiscal year

The first fiscal year of the Project for Loan Agreement No. 3251-VIE is from 17 February 2016 (effective date) to 31 December 2016. The following fiscal year is from 1 January to 31 December.

### 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 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 under the requirements of Asian Development Bank and in accordance with Vietnamese Accounting Standards, specifically Circular 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and other applicable requirements, which are set out below.

### 3.2 Foreign exchange

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. 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 recognised separately in the statement of income and expenditures for the purpose of reconciliation of balance as at beginning and closing accounting period.

### 3.3 Recognitions of sources and uses of fund

Project sources and uses of fund are recognised as follows:

- Loan from Asian Development Bank: Funds are recognised when direct payment from ADB to suppliers or/and receipts from ADB to Advance Account except for Interest and commitment charge from ADB loan are recorded to expenditures and income based on accrual basis.
- Counterpart fund: Fund is recognised when direct payment from CUALOWACO to suppliers or/and receipts advance to pay for operating expenses of Projects from CUALOWACO; and
- Expenditures are recognised when incurred.

### 3.4 Advance

Advances to contractors 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 unit for advance clearance).

### 3.5 Payables

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

## 4. Cash

	31 December 2018	31 December 2017
	VND	VND
Cash on hand	97,727,590	280,396,119
Cash in bank	1,019,106	1,015,257
	<b>98,746,696</b>	<b>281,411,376</b>

## 5. Advance to contractors

	31 December 2018	31 December 2017
	VND	VND
Advance 25% of CS2 package to Joint Venture between Vietnam Water, Sanitation and Environment Joint Stock Company and Lead and Meinhardt (Vietnam) Ltd	-	3,150,512,641
Advance 10% of NA-CL-CW1 package to Joint Venture between Vietnam Water and Environment Investment Corporation - JSC and Construction Joint Stock Company No 12	-	22,824,251,995
	-	<b>25,974,764,636</b>

## 6. Payable to suppliers

	31 December 2018	31 December 2017
	VND	VND
Company of Economic Cooperation	978,325,000	-
Ha Huy Co., Ltd	27,538,974,620	-
Vietnam Water, Sanitation and Environment Joint Stock Company	7,693,277,905	-
Vinaconex 12 JSC	4,887,328,437	-
	<b>40,897,905,962</b>	-

## 7. Loan from Asian Development Bank

	Currency	For year ended 31 December 2018		For year ended 31 December 2017		Accumulated to 31 December 2018	
		Original currency	USD equivalent	Original currency	USD equivalent	Original currency	USD equivalent
Direct payment in VND	VND	101,392,712,470	4,384,002.78	101,392,712,470	4,384,002.78	101,392,712,470	4,384,002.78
Direct payment in USD	USD	259,519.72	5,976,580.989	1,158,036.76	25,974,764.636	1,417,558.48	31,951,345.625
Interest and commitment charge	USD	24,244.91	549,270.143	20,136.71	452,079.231	60,726.25	1,367,400.674
			4,667,867.41		1,178,195.47		4,897,867.41
			107,918,563.602		26,426,843.867		134,711,458.769

## 8. Counterpart fund

	Currency	For year ended 31 December 2018		For year ended 31 December 2017		Accumulated to 31 December 2018	
		Original currency	VND equivalent	Original currency	VND equivalent	Original currency	VND equivalent
Counterpart fund from CUALOWACO			740,738,589		2,384,399,267		3,125,137,856
Interest and re-lending expense			27,716,667		-		27,716,667
			768,455,256		2,384,399,267		3,152,854,523

## 9. Expenditures

	Year ended 31 December 2018			For year ended 31 December 2017			Accumulated 31 December 2018		
	Loan from ADB	Counterpart fund	Total	Loan from ADB	Counterpart fund	Total	Loan from ADB	Counterpart fund	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Site clearance	-	-	-	-	1,883,233,598	1,883,233,598	-	1,883,233,598	1,883,233,598
Works	164,136,545,427	-	164,136,545,427	-	-	-	164,136,545,427	-	164,136,545,427
Goods	-	-	-	-	-	-	-	-	-
Consulting services	9,185,244,015	1,432,870,455	10,618,114,470	-	-	-	9,185,244,015	1,432,870,455	10,618,114,470
Interest and commitment charge	549,270,143	27,716,667	576,986,810	452,079,231	-	452,079,231	1,367,400,674	27,716,667	1,395,117,341
Administrative expenses	-	468,857,815	468,857,815	-	219,754,293	219,754,293	-	688,612,108	688,612,108
	173,871,059,585	1,929,444,937	175,800,504,522	452,079,231	2,102,987,891	2,555,067,122	174,689,190,116	4,032,432,828	178,721,622,944

## 10. Disbursements

	Year ended 31 December 2018			For year ended 31 December 2017			Accumulated 31 December 2018		
	Loan from ADB	Counterpart fund	Total	Loan from ADB	Counterpart fund	Total	Loan from ADB	Counterpart fund	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Site clearance	-	-	-	-	1,883,233,598	1,883,233,598	-	1,883,233,598	1,883,233,598
Works	101,392,712,470	-	101,392,712,470	22,824,251,995	-	22,824,251,995	124,216,564,455	-	124,216,564,455
Goods	-	-	-	-	-	-	-	-	-
Consulting services	5,976,580,989	454,545,455	6,431,126,444	3,150,512,641	-	3,150,512,641	9,127,093,630	454,545,455	9,581,639,085
Interest and commitment charge	549,270,143	27,716,667	576,986,810	452,079,231	-	452,079,231	1,367,400,674	27,716,667	1,395,117,341
Administrative expenses	-	468,857,815	468,857,815	-	219,754,293	219,754,293	-	688,612,108	688,612,108
	107,918,563,602	951,119,937	108,869,683,539	26,426,843,867	2,102,987,891	28,529,831,758	134,711,458,769	3,054,107,828	137,765,566,597

## 11. Reconciliations between expenditures and disbursements

Reconciliation between accumulated expenditures up to 31 December 2018 and disbursements up to 31 December 2018 as follows:

	Accumulated expenditures to 31 December 2018 VND (a)	Payables to suppliers (Note 6) VND (b)	Foreign exchange differences VND (c)	Accumulated disbursements to 31 December 2018 VND (d) = (a) - (b) - (c)
Site clearance	1,883,233,598	-	-	1,883,233,598
Works	164,136,545,427	39,919,580,962	-	124,216,964,465
Goods	-	-	-	-
Consulting services	10,618,114,470	978,325,000	58,150,385	9,581,639,085
Interest and commitment charge	1,395,117,341	-	-	1,395,117,341
Administrative expenses	688,612,108	-	-	688,612,108
	178,721,622,944	40,897,905,962	58,150,385	137,765,566,597

## 12. Restatements

During the year 2018, the Project Management Unit had restated the Project's Cash Flow Statement for the period from 17 February 2016 to 31 December 2017 to reflect the Interest and commitment charge, as follows:

### Statement of cash flows for the year ended 31 December 2017

	As previously reported VND	Restatements VND	As restated VND
<b>RECEIPTS</b>			
Loan from Asian Development Bank	25,974,764,636	452,079,231	26,426,843,867
<b>DISBURSEMENTS</b>			
Interest and commitment charge	-	452,079,231	452,079,231

### Statement of cash flows accumulated to 31 December 2017

	As previously reported VND	Restatements VND	As restated VND
<b>RECEIPTS</b>			
Loan from Asian Development Bank	25,974,764,636	818,130,531	26,792,895,167
<b>DISBURSEMENTS</b>			
Interest and commitment charge	-	818,130,531	818,130,531

## 13. Approval for issuance of the financial statements

The financial statements were approved by the Project Management Unit and authorised for issue.

Nghe An, Vietnam  
20 June 2019



Nguyễn Huu Luan  
Director of Project Management Unit



Dam Thi Thanh Thuy  
PMU's Chief Accountant