

# Audited Project Financial Statements

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Project Number: 48923-001  
Loan/Grant Number: 3152, 0403  
Period covered: 1 January 2016 to 31 December 2016

## **SOL: Transport Sector Flood Recovery Project**

Prepared by Ministry of Infrastructure Development

For the Asian Development Bank  
Date received by ADB: 28 June 2017

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 Public Communications Policy 2011 and as agreed between ADB and the Ministry of Infrastructure Development.

## **Independent Auditor's Report to the Permanent Secretary of the Ministry of Infrastructure Development and the Asian Development Bank**

### *Opinion*

We have audited the accompanying Statement of Cash Receipts and Payments (the "Statement") of the Transport Sector Flood Recovery Project ("TSFRP") (the "Project") which comprises the Statement of Cash Receipts and Payments for the period 1 January 2016 to 31 December 2016, and a summary of significant accounting policies and other explanatory information. This Report has been prepared by in accordance with the Grant Agreement dated 6 April 2011 between the Solomon Islands Government and the Asian Development Bank, Grant No. 0243/0403-SOL, (the "Program") for the funding period 1 January 2016 to 31 December 2016.

In our opinion, the accompanying Statement of Cash Receipts and Payments presents fairly, in all material respects, the Project's receipts and payments for the year ended 31 December 2016 in accordance with the Grant Agreement and the International Public Sector Accounting Standards (IPSAS): Financial Reporting under the Cash Basis of Accounting ("Cash Basis").

### *Basis for Opinion*

We conducted our audit in accordance with the International Standards on Auditing and the requirements of the Grant Agreement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Executing Agency for the Statement*

The Ministry of Infrastructure Development (the "Executing Agency") is responsible for the preparation and fair presentation of the Statement in accordance with the Grant Agreement and the IPSAS Cash Basis and for such internal control as the Executing Agency determined is necessary to enable the preparation and fair presentation of the Statement and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Audit of the Statement*

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the International Standards on Auditing 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 this Statement.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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 the Executing Agency.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executing Agency 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.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, cursive script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, likely belonging to Mark Clarke.

Mark Clarke  
Partner  
Chartered Accountants  
Honiara, 26 June 2017



## **Ministry of Infrastructure Development**

### **Transport Sector Flood Recovery Project**

**ADB Grant Nos.0243,0403  
ADB Loan No. 3152**

**2016 Financial Report  
31-Dec-16**

**ASIAN DEVELOPMENT BANK**  
**SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT**  
**GRANT NO. 0243-SOL, 0403-SOL, LOAN NO. 3152**  
**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**TABLE OF CONTENTS**

|  | <u>Page</u> |
|--|-------------|
| Statement of Cash Receipts and Payments                                  | 1           |
| Statement of Sources and Uses of Funds                                   | 2           |
| Notes to and forming part of the Statement of Cash Receipts and Payments | 3-8         |

**ASIAN DEVELOPMENT BANK**  
**SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT**  
**GRANT NO. 0243-SOL, 0403-SOL, LOAN 3152**  
**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Report of the Executing Agency**

Under the terms of my contract, I have the mandate from the ADB and the Ministry of Infrastructure Development as Executing Agency, to supervise and manage the funds provided for the Solomon Islands Transport Sector Flood Recovery Project (TSFRP) funded by the Asian Development Bank

I certify that the attached Statement of Cash Receipts and Payments which has been prepared under my supervision presents a true and fair view of the cash receipts and payments of the TSFRP for the year ended 31 December 2016

Dated at Honiara this 21 day of June 2017



Mr. Henry Murray Aife  
Permanent Secretary  
Executing Agency Representative  
Ministry of Infrastructure Development

**ASIAN DEVELOPMENT BANK**  
**SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT**  
**GRANT NO. 0243-SOL, 0403-SOL, LOAN NO. 3152**  
**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

|   | Notes | As at<br>31 Dec 16<br>Audited<br>Payments by Third Parties<br>USD<br>\$ | As at<br>31 Dec 15<br>Audited<br>Payments by Third Parties<br>USD<br>\$ | Cumulative*<br>USD<br>\$ |
|---|-------|---|---|--------------------------|
| <b>RECEIPTS</b>   |       |   |   |                          |
| <b>External Assistance - Multilateral Agencies</b>                |       |   |   |                          |
| ADB - Third Party Payment - Ela Motors Ltd                        | 2     | -   | 68,527  | 68,527                   |
| ADB - Third Party Payments - SMEC Consulting Services             | 2     | 727,987   | 558,359   | 1,286,346                |
| ADB - Third Party mobilization Advance - SMEC Consulting Services | 2     | -   | 300,000   | 300,000                  |
| ADB - Third Party mobilization Advance – CHEC Civil works         | 2     | 1,821,228   | -   | 1,821,228                |
| ADB – Third Party CHEC – Civil Works                              | 2     | 1,822,129   |   | 1,822,129                |
| <b>Other Grants and Aid</b>                                       |       |   |   |                          |
| Other Receipts  |       |   |   |                          |
| Solomon Islands Government  | 5     | 7,372   | 6,244   | 13,616                   |
| <b>TOTAL RECEIPTS</b>   |       | <b>4,378,716</b>  | <b>933,130</b>  | <b>5,311,846</b>         |
| <b>PAYMENTS</b>   |       |   |   |                          |
| Motor Vehicles - Ela Motor Ltd                                    | 3     | -   | 68,527  | 68,527                   |
| Consulting Services - SMEC International Pty Ltd)                 | 3     | 694,655   | 558,359   | 1,253,014                |
| Repayment - SMEC Mobilization Advance                             | 4     | 33,331  | 266,669   | 300,000                  |
| Civil works - China Harbor Engineering Co. Ltd                    | 4     | 1,639,915   | -   | 1,639,915                |
| Solomon Islands Government Financing                              | 5     | 7,372   | 6,244   | 13,616                   |
| Bank Charges  |       |   | -   | -                        |
| <b>TOTAL PAYMENTS</b>   |       | <b>2,375,273</b>  | <b>899,800</b>  | <b>3,275,074</b>         |
| Cash at beginning of period                                       |       | -   | -   | -                        |
| Decrease /Increase in Cash  |       | 2,003,441   | 33,331  | 2,036,772                |
| Foreign exchange differences                                      |       |   | -   | -                        |
| <b>Cash at end of period</b>                                      | 6     | <b>2,003,441</b>  | <b>33,331</b>   | <b>2,036,772</b>         |

This Statement is to be read in conjunction with the Notes to and forming part of the Statement of Cash Receipts and Payments on pages 3 and 8

\*Cumulative figures includes Year to Date



**ASIAN DEVELOPMENT BANK**  
**SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT**  
**GRANT NO. 0243-SOL, 0403-SOL, LOAN NO. 3152**  
**STATEMENT OF SOURCES AND USES OF FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

| Notes  | 31-Dec-16                |                          |                        |                          |            |                           | 31-Dec-15                |                          |                     |                              |            |                           | Cumulative to Date |  |
|--|--------------------------|--------------------------|------------------------|--------------------------|------------|---------------------------|--------------------------|--------------------------|---------------------|------------------------------|------------|---------------------------|--------------------|--|
|  | GRANT<br>0243-SOL<br>USD | GRANT<br>0403-SOL<br>USD | TOTAL<br>GRANTS<br>USD | LOANS<br>3152-SOL<br>USD | SIG<br>USD | TOTAL<br>31-Dec-16<br>USD | GRANT<br>0243-SOL<br>USD | GRANT<br>0403-SOL<br>USD | TOTAL GRANTS<br>USD | ADB LOANS<br>3152-SOL<br>USD | SIG<br>USD | TOTAL<br>31-Dec-15<br>USD | TOTAL YTD<br>USD   |  |
|  |                          |                          |                        |                          |            |                           |                          |                          |                     |                              |            |                           |                    |  |
| Sources of Funds/Receipts of Funds                           |                          |                          |                        |                          |            |                           |                          |                          |                     |                              |            |                           |                    |  |
| External Assistance - Multilateral Agencies                  |                          |                          |                        |                          |            |                           |                          |                          |                     |                              |            |                           |                    |  |
| ADB Direct Payments  |                          |                          |                        |                          |            |                           |                          |                          |                     |                              |            |                           |                    |  |
| Ela Motor Ltd - Equipment                                    | -                        | -                        | -                      | -                        | -          | -                         | -                        | 33,820                   | 33,820              | 34,707                       | -          | 68,527                    | 68,527             |  |
| SMEC International Pty Ltd - Consultancy Services            | 269,533                  | 458,454                  | 727,987                | -                        | -          | 727,987                   | 453,300                  | 105,059                  | 558,359             | -                            | -          | 558,359                   | 1,286,346          |  |
| SMEC International Pty Ltd - Mobilisation Advance            | -                        | -                        | -                      | -                        | -          | -                         | -                        | 300,000                  | 300,000             | -                            | -          | 300,000                   | 300,000            |  |
| China Harbour Engineering Company Ltd - Mobilisation Advance | -                        | 746,704                  | 746,704                | 1,074,524                | -          | 1,821,228                 | -                        | -                        | -                   | -                            | -          | -                         | 1,821,228          |  |
| China Harbour Engineering Company Ltd - Construction         | -                        | 747,073                  | 747,073                | 1,075,056                | -          | 1,822,129                 | -                        | -                        | -                   | -                            | -          | -                         | 1,822,129          |  |
| Others Receipts  |                          |                          |                        |                          |            |                           |                          |                          |                     |                              |            |                           |                    |  |
| Solomon Islands Government                                   | -                        | -                        | -                      | -                        | 7,372      | 7,372                     | -                        | -                        | -                   | -                            | 6,244      | 6,244                     | 13,616             |  |
| TOTAL RECEIPTS   | 269,533                  | 1,952,231                | 2,221,764              | 2,149,580                | 7,372      | 4,378,716                 | 453,300                  | 438,879                  | 892,179             | 34,707                       | 6,244      | 933,130                   | 5,311,846          |  |
| Less: Uses of Funds/Expenditures by Category                 |                          |                          |                        |                          |            |                           |                          |                          |                     |                              |            |                           |                    |  |
| Motor Vehicles ( Ela Motor Ltd)                              | -                        | -                        | -                      | -                        | -          | -                         | -                        | 33,820                   | 33,820              | 34,707                       | -          | 68,527                    | 68,527             |  |
| Consulting Services (SMEC International Pty Ltd)             | 236,202                  | 458,454                  | 694,655                | -                        | -          | 694,655                   | 453,300                  | 105,059                  | 558,359             | -                            | -          | 558,359                   | 1,253,014          |  |
| Repayment of Mobilisation Advance - SMEC Pty Ltd             | 33,331                   | -                        | 33,331                 | -                        | -          | 33,331                    | 266,669                  | -                        | 266,669             | -                            | -          | 266,669                   | 300,001            |  |
| Repayment of Mobilisation Advance - CHEC Ltd                 | -                        | -                        | -                      | -                        | -          | -                         | -                        | -                        | -                   | -                            | -          | -                         | -                  |  |
| China Harbour Engineering Co Ltd - Constructions             | -                        | 672,365                  | 672,365                | 967,550                  | -          | 1,639,915                 | -                        | -                        | -                   | -                            | -          | -                         | 1,639,915          |  |
| 10% Retention - CHEC Ltd                                     | -                        | -                        | -                      | -                        | -          | -                         | -                        | -                        | -                   | -                            | -          | -                         | -                  |  |
| Solomon Islands Government Financing                         | -                        | -                        | -                      | -                        | 7,372      | 7,372                     | -                        | -                        | -                   | -                            | 6,244      | 6,244                     | 13,616             |  |
| Bank charges   | -                        | -                        | -                      | -                        | -          | -                         | -                        | -                        | -                   | -                            | -          | -                         | -                  |  |
| TOTAL PAYMENTS   | 269,533                  | 1,130,819                | 1,400,352              | 967,550                  | 7,372      | 2,375,274                 | 719,970                  | 138,879                  | 858,848             | 34,707                       | 6,244      | 899,800                   | 3,275,074          |  |
| Balance (Receipts less Expenditures)                         | -                        | 0                        | 821,411                | 1,182,030                | -          | 2,003,441                 | 266,669                  | 300,000                  | 33,331              | -                            | -          | 33,331                    | 2,036,772          |  |
| Foreign exchange differences                                 | -                        | -                        | -                      | -                        | -          | -                         | -                        | -                        | -                   | -                            | -          | -                         | -                  |  |
| Net Interest Earned  | -                        | -                        | -                      | -                        | -          | -                         | -                        | -                        | -                   | -                            | -          | -                         | -                  |  |
| Bank charges   | -                        | -                        | -                      | -                        | -          | -                         | -                        | -                        | -                   | -                            | -          | -                         | -                  |  |
| Net Balance of Funds   | 6                        | 0                        | 821,412                | 1,182,030                | -          | 2,003,441                 | 266,669                  | 300,000                  | 33,331              | -                            | -          | 33,331                    | 2,036,772          |  |

This Statement is to be read in conjunction with the Notes to and forming part of the Statement of Cash Receipts and Payments on pages 3 to 8



**ASIAN DEVELOPMENT BANK**  
**SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT**  
**GRANT NO. 0243-SOL, 0403-SOL, LOAN NO 3152**  
**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Notes to and forming part of the Statement of Cash Receipts and Payments**

**1 STATEMENT OF ACCOUNTING POLICIES**

**a Basis of Preparation**

The Statement of Cash Receipts and Payments has been prepared in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS). Comparative information has been included as this is the fifth year of the Project. The accounting policies have been applied consistently throughout the period.

**b Reporting entity**

The Statement of Cash Receipts and Payments is for the Solomon Islands Transport Sector Flood Recovery Project (TSFRP) as supervised by the Ministry of Infrastructure Development in the Solomon Islands. The project commenced on 2nd March 2015, with the signing of the contract between the Solomon Islands Government (SIG) and joint SMEC International Pty Ltd, Australia and IMC, UK, and is managed by the Asian Development Bank (ADB) with funding from ADB, under TSFRP on 14 May 2015. This Statement therefore covers the period from January 1 2016 to 31 December 2016.

**c Reporting Currencies**

The accounts are stated in United States dollars (US\$) as this is the currency used for the grants and all project reports. Foreign currency equivalents are converted at the rate applicable on the date of transaction. Cash denominated in foreign currencies have been revalued into US\$ using the exchange rates in the effect on the dates of the receipts and payments. Amount is round off to near dollar.

**d Budget**

The TSFRP has a multi-year financing plan, as opposed to annual budgets that place limits on the spending for the year. As a result, budget information for 2016 has not been provided.

**2 EXTERNAL ASSISTANCE - MULTILATERAL AGENCIES - GRANTS RECEIVED**

From January 1, 2016 to December 31, 2016, the summary of invoices submitted to ADB under Loan 3152-SOL, Grant 0243 and Grant 0403 are as follows;

|                          |  | 2016             | 2015       | Cumulative       |
|--------------------------|--|------------------|------------|------------------|
|                          |  | <u>USD</u>       | <u>USD</u> | <u>USD</u>       |
| <b>Category by Cost</b>  | <b>Descriptions</b>                              |                  |            |                  |
| <b>1. Civil Works</b>    |  |                  |            |                  |
| CHEC - Advanced payments | 1 <sup>st</sup> Advance Payment Grant 0403 (41%) | 373,352          | -          | 373,352          |
|                          | 1 <sup>st</sup> Advance Payment Loan 3152 (59%)  | 537,262          |            | 537,262          |
|                          | <b>Sub_Total</b>                                 | <b>910,614</b>   |            | <b>910,614</b>   |
|                          | 2 <sup>nd</sup> Advance Payment Grant 0403 (41%) | 373,352          |            | 373,352          |
|                          | 2 <sup>nd</sup> Advance payment Loan 3152 (59%)  | 537,262          |            | 537,262          |
|                          | <b>Sub_Total</b>                                 | <b>910,614</b>   |            | <b>910,614</b>   |
|                          | <b>Total Advanced Payment</b>                    | <b>1,821,228</b> | -          | <b>1,821,228</b> |
| CHEC - Payment Claims    | IPC 03, claim – Grant 0403 (41%)                 | 442,602          |            | 442,602          |
|                          | IPC 03, claim – Loan 3152 (59%)                  | 636,915          |            | 636,915          |

|                       |                                 |                  |                |                  |
|-----------------------|---------------------------------|------------------|----------------|------------------|
|                       | <b>Sub_Total</b>                | <b>1,079,517</b> |                | <b>1,079,517</b> |
|                       | IPC04, claim – Grant 0403 (41%) | 304,471          |                | 304,471          |
|                       | IPC04, claim – Loan 3152 (59%)  | 438,141          |                | 438,141          |
|                       | <b>Sub_Total</b>                | <b>742,612</b>   | -              | <b>742,612</b>   |
|                       | <b>Total Claim</b>              | <b>1,822,129</b> |                | <b>1,822,129</b> |
| <b>2. Equipment</b>   |                                 |                  |                |                  |
| Ela Motor             | 2 X Double Hilux Toyota         |                  |                |                  |
|                       | Grant 0403-SOL (50%)            | 33,820           |                | 33,820           |
|                       | Loan 3152-SOL (50%)             | 34,707           |                | 34,707           |
|                       |                                 | <b>68,527</b>    |                | <b>68,527</b>    |
| <b>3. Consultants</b> |                                 |                  |                |                  |
| SMEC                  | Invoice, Grant 0243 (100%)      | 269,533          | 453,300        | 722,833          |
|                       | Invoice, Grant 0403 (100%)      | 458,454          | 105,059        | 558,512          |
|                       |                                 | <b>727,987</b>   | <b>558,359</b> | <b>1,286,346</b> |
| Advance               | Advance, Grant 0403 (100%)      |                  | 300,000        | 300,000          |
|                       |                                 |                  | <b>300,000</b> | <b>300,000</b>   |

The invoices are presented in USD, AUD and SBD and are apportioned according to the agreed contribution percentages. Fund received are shown by the ADB in USD at the exchange rate in effect on the date of transaction as required by IPSAS Cash Basis. The detail of the voices as per their currencies presented under Grant 0243-SOL, 0403-SOL and Loan 3152-SOL is as follows;

|          |                       |   |                |           |                |
|----------|-----------------------|---|----------------|-----------|----------------|
| <b>a</b> | <b>Grant 0243-SOL</b> | <b>Invoices</b>                         | <b>USD</b>     | <b>FX</b> | <b>USD</b>     |
|          | SMEC Consultancy      | Dec'15 invoices                         | 53,399         | 1.000     | 53,399         |
|          |                       | Jan'16 invoices                         | 29,781         | 1.000     | 29,781         |
|          |                       | Feb'16 invoices                         | 39,891         | 1.000     | 39,891         |
|          |                       | Mar'16 invoices                         | 28,713         | 1.000     | 28,713         |
|          |                       | Apr'16 invoices                         | 24,874         | 1.000     | 24,874         |
|          |                       | May'16 Invoices                         | 29,701         | 1.000     | 29,701         |
|          |                       | Dec/Jan Invoices Withheld amount        | 11,100         | 1.000     | 11,100         |
|          |                       | Jun'16 Invoices                         | 52,074         | 1.000     | 52,074         |
|          |                       | <b>Total SMEC for Grant 0243 in USD</b> | <b>269,533</b> |           | <b>269,533</b> |
| <b>b</b> | <b>Grant 0403-SOL</b> | <b>Invoices</b>                         | <b>AUD</b>     | <b>FX</b> | <b>USD</b>     |
|          | SMEC Consultancy      | Dec'15 invoices                         | 32,200         | 1.314     | 24,501         |
|          |                       | Jan'16 invoices                         | 32,200         | 1.307     | 24,630         |
|          |                       | Feb'16 invoices                         | 23,901         | 1.347     | 17,823         |
|          |                       | <b>Total in AUD/USD</b>                 | <b>88,301</b>  |           | <b>66,954</b>  |
|          |                       |   |                | <b>FX</b> | <b>USD</b>     |
|          |                       | <b>SBD</b>                              |                |           |                |
|          |                       | Dec'15 invoices                         | 64,256         | 7.862     | 8,173          |
|          |                       | Jan'16 invoices                         | 67,700         | 7.955     | 8,510          |
|          |                       | Feb'16 invoices                         | 67,700         | 7.788     | 8,693          |
|          |                       | Mar'16 invoices                         | 67,700         | 7.788     | 8,693          |
|          |                       | Apr'16 invoices                         | 73,062         | 7.788     | 9,381          |
|          |                       | May'16 invoices                         | 240,456        | 7.788     | 30,875         |
|          |                       | June'16 invoices                        | 101,887        | 7.788     | 13,083         |
|          |                       | Jul'16 invoices                         | 99,656         | 7.788     | 12,796         |
|          |                       | Aug'16 invoices                         | 79,988         | 7.788     | 10,302         |
|          |                       | Sep'16 invoices                         | 74,082         | 7.788     | 9,542          |
|          |                       | Oct'16 invoices                         | 144,897        | 7.788     | 18,605         |

|                          |   |                  |           |                  |
|--------------------------|---|------------------|-----------|------------------|
|                          | Nov'16 invoices                         | 99,656           | 7.788     | 12,796           |
|                          | <b>Total in SBD/USD</b>                 | <b>1,181,042</b> |           | <b>151,448</b>   |
|                          |   | <b>USD</b>       | <b>FX</b> | <b>USD</b>       |
|                          | Jul'16 invoices                         | 35,915           | 1.000     | 35,915           |
|                          | Aug'16 invoices                         | 39,070           | 1.000     | 39,070           |
|                          | Sep'16 invoices                         | 20,967           | 1.000     | 20,967           |
|                          | Outstanding – Jul'16 Invoice            | 14,216           | 1.000     | 14,216           |
|                          | Outstanding – Sep'16 invoice            | 17,000           | 1.000     | 17,000           |
|                          | Oct'16 invoices                         | 74,615           | 1.000     | 74,615           |
|                          | Nov'16 invoices                         | 38,269           | 1.000     | 38,269           |
|                          | <b>Total in USD</b>                     | <b>240,052</b>   |           | <b>240,052</b>   |
|                          | <b>Total for SMEC for Grant 0403</b>    |                  |           | <b>458,454</b>   |
| <b>CHEC –Civil Works</b> | <b>Invoices</b>                         | <b>USD</b>       | <b>FX</b> | <b>USD</b>       |
| Advance payment          | CHEC/CBGP/01 (41%)                      | 373,352          | 1.000     | 373,352          |
| Advance payment          | CHEC/CBGP/02 (41%)                      | 373,352          | 1.000     | 373,352          |
| Payment Claim            | CHEC/IPC 03 (41%)                       | 442,602          | 1.000     | 442,602          |
| Payment Claim            | CHEC/IPC 04 (41%)                       | 304,471          | 1.000     | 304,471          |
|                          | <b>Total CHEC for Grant 0403 in USD</b> |                  |           | <b>1,493,777</b> |
| <b>c</b>                 | <b>Loan 3152-SOL</b>                    | <b>USD</b>       | <b>FX</b> | <b>USD</b>       |
| Advance Payment          | CHEC/CBP/01 (59%)                       | 537,262          | 1.000     | 537,262          |
| Advance payment          | CHEC/CBGP/02 (59%)                      | 537,262          | 1.000     | 537,262          |
| Payment Claim            | CHEC/IPC 03 (59%)                       | 636,915          | 1.000     | 636,915          |
| Payment Claim            | CHEC/IPC 04 (59%)                       | 438,141          | 1.000     | 438,414          |
|                          | <b>Total CHEC for Loan 3152 in USD</b>  |                  |           | <b>2,149,580</b> |
|                          | <b>Total Civil Works - CHEC</b>         |                  |           | <b>3,643,357</b> |

### 3 THIRD PARTY PAYMENTS

From January 1, 2016 to 31 December, 2016, the summary of payments made by ADB under Loan 3152-SOL, Grant 0243 and Grant 0403 are as follows;

| Category by Cost      |                                    | 2016             | 2015           | Cumulative       |
|-----------------------|------------------------------------|------------------|----------------|------------------|
| Descriptions          |                                    | USD              | USD            | USD              |
| <b>1. Civil Works</b> |                                    |                  |                |                  |
| CHEC - Payment        | IPC03 – Grant 0403 (41%)           | 398,342          | -              | 398,342          |
| Claim                 | IPC03 – Loan 3152 (59%)            | 573,223          |                | 573,223          |
|                       | <b>Sub_Total</b>                   | <b>971,565</b>   |                | <b>971,565</b>   |
|                       | IPC04 - Grant 0403 (41%)           | 274,024          |                | 274,024          |
|                       | IPC04 - Loan 3152 (59%)            | 394,327          |                | 394,327          |
|                       | <b>Sub_Total</b>                   | <b>668,351</b>   |                | <b>668,351</b>   |
|                       | <b>Total Payment Claim</b>         | <b>1,639,916</b> |                | <b>1,639,916</b> |
| <b>3. Consultants</b> |                                    |                  |                |                  |
| Grant 0243-SOL        | SMEC – Design & Supervision (100%) | 236,202          | 453,300        | 689,502          |
| Grant 0403-SOL        | SMEC – Design & Supervision (100%) | 458,454          | 105,059        | 563,513          |
|                       |                                    | <b>694,656</b>   | <b>558,359</b> | <b>1,253,015</b> |
| Grant 0403-SOL        | SMEC – Mobilization Advance        | 33,331           | 266,669        | 300,000          |
|                       |                                    | <b>33,331</b>    | <b>266,669</b> | <b>300,000</b>   |



**The Third Party payments transaction as at 31 December 2016 are as follows:**

The payment are presented in USD, AUD and SBD and are apportioned according to the agreed contribution percentages. Payments are shown by the ADB in USD at the exchange rate in effect on the date of payment as required by IPSAS Cash Basis. The detail of paid invoices under Grant 0243, grant 0403 and Loan 3152 is summarized as follows;

| <b>a Grant 0243-SOL</b>                |                              | <b>USD</b>       | <b>FX</b> | <b>USD</b>       |
|--|------------------------------|------------------|-----------|------------------|
| SMEC-Third Party payment               | <b>Invoices</b>              |                  |           |                  |
|  | Dec'15 paid invoices         | 20,068           | 1.000     | 20,068           |
|  | Jan'16 paid invoices         | 29,781           | 1.000     | 29,781           |
|  | Feb'16 paid invoices         | 39,891           | 1.000     | 39,891           |
|  | Mar'16 paid invoices         | 28,718           | 1.000     | 28,718           |
|  | Apr'16 paid invoices         | 24,874           | 1.000     | 24,874           |
|  | May'16 paid invoices         | 29,701           | 1.000     | 29,701           |
|  | Dec15/Jan16 withheld amount  | 11,100           | 1.000     | 11,100           |
|  | Jun'16 paid invoices         | 52,074           | 1.000     | 52,074           |
| <b>Total for Grant 0243-SOL in USD</b> |                              | <b>236,202</b>   |           | <b>236,202</b>   |
| <b>b Grant 0403-SOL</b>                |                              | <b>AUD</b>       | <b>FX</b> | <b>USD</b>       |
| 1 SMEC – Third Party Payments          | <b>Invoices</b>              |                  |           |                  |
|  | Dec'15 paid invoices         | 32,200           | 1.314     | 24,501           |
|  | Jan'16 paid invoices         | 32,200           | 1.307     | 24,630           |
|  | Feb'16 paid invoices         | 23,901           | 1.341     | 17,823           |
| <b>Total in AUD/USD</b>                |                              | <b>88,301</b>    |           | <b>66,954</b>    |
|  |                              | <b>SBD</b>       | <b>FX</b> | <b>USD</b>       |
|  | Dec'15 paid invoices         | 64,256           | 7.862     | 8,173            |
|  | Jan'16 paid invoices         | 67,700           | 7.955     | 8510             |
|  | Feb'16 paid invoices         | 67,700           | 7.788     | 8693             |
|  | Mar'16 paid invoices         | 67,700           | 7.788     | 8693             |
|  | Apr'16 paid invoices         | 73,062           | 7.788     | 9381             |
|  | May'16 paid invoices         | 240,456          | 7.788     | 30,875           |
|  | Jun'16 paid invoices         | 101,887          | 7.788     | 13,083           |
|  | Jul'16 paid invoices         | 99,656           | 7.788     | 12,796           |
|  | Aug'16 paid invoices         | 79,988           | 7.788     | 10,302           |
|  | Sep'16 paid invoices         | 74,082           | 7.788     | 9,542            |
|  | Oct'16 paid invoices         | 144,897          | 7.788     | 18,605           |
|  | Nov'16 paid invoices         | 99,656           | 7.788     | 12,796           |
|  | <b>Total in SBD/USD</b>      | <b>1,181,042</b> |           | <b>151,448</b>   |
|  | Jul'16 invoices              | 35,915           | 1.000     | 5,915            |
|  | Aug'16 invoices              | 39,070           | 1.000     | 39,070           |
|  | Sep'16 invoices              | 20,967           | 1.000     | 20,967           |
|  | Outstanding – Jul'16 Invoice | 14,216           | 1.000     | 14,216           |
|  | Outstanding – Sep'16 invoice | 17,000           | 1.000     | 17,000           |
|  | Oct'16 invoices              | 74,615           | 1.000     | 74,615           |
|  | Nov'16 invoices              | 38,269           | 1.000     | 38,269           |
| <b>Total in USD</b>                    |                              | <b>240,052</b>   |           | <b>240,052</b>   |
| <b>Total for SMEC in USD</b>           |                              |                  |           | <b>458,454</b>   |
| <b>2 CHEC</b>                          |                              | <b>USD</b>       | <b>FX</b> | <b>USD</b>       |
| Payment Claim                          | CHEC/IPC 03 (41%)            | 398,342          | 1.000     | 398,342          |
|  | CHEC/IPC 04 (41%)            | 274,024          | 1.000     | 274,024          |
| <b>Total for CHEC in USD</b>           |                              | <b>672,366</b>   |           | <b>672,366</b>   |
| <b>Total for Grant 0403 in USD</b>     |                              |                  |           | <b>1,130,820</b> |
| <b>c Loan 3152-SOL</b>                 |                              |                  |           |                  |

| <b>CHEC</b>                       |                   | <b>USD</b>     | <b>FX</b> | <b>USD</b>     |
|-----------------------------------|-------------------|----------------|-----------|----------------|
| Payment Claim                     | CHEC/IPC 03 (59%) | 573,223        | 1.000     | 573,223        |
| Payment Claim                     | CHEC/IPC 04 (59%) | 394,327        | 1.000     | 394,327        |
| <b>Total for Loan 3152 in USD</b> |                   | <b>967,550</b> |           | <b>967,550</b> |

#### 4 MOBILIZATION ADVANCE REPAYMENT

##### a SMEC Consultancy Services -

Monthly deductions from SMEC Invoices based on the agreed rate for the repayment of the mobilization advance made by SMEC at the commencement of the project. The total repayment of USD266, 669 was made in 2015. The final repayment of USD 333,331 (round off to nearest dollars) was paid on 25<sup>th</sup> February 2016 of Dec'15 Invoice. The Schedule of Mobilization Advance Repayment as follows;

| <b>Date</b>      | <b>Details</b>      | <b>Invoice No</b> | <b>Repayment</b> | <b>Balance</b> |
|------------------|---------------------|-------------------|------------------|----------------|
| <b>2-Dec-15</b>  | SMEC Nov'15 Invoice | 5037010.009U      | USD 33,333.33    | USD 33,330.55  |
| <b>25-Feb'16</b> | SMEC Dec'15 Invoice | 5037010.010U      | USD 33,330.55    | -              |

##### b. CHEC Civil Contractor

| <b>Date</b> | <b>Details</b>         | <b>Invoice No</b> | <b>Repayment<br/>USD</b> | <b>Advance<br/>USD</b> | <b>Balance<br/>USD</b> |
|-------------|------------------------|-------------------|--------------------------|------------------------|------------------------|
| 5 Aug 16    | First Advanced Payment | CHEC/CBGP/0001    |                          | 910,614                | 910,614                |
| 15 Nov 16   | Second Advance Payment | CHEC/CBGP/0002    |                          | 910,614                | 1,821,228              |

#### 5. RETENTIONS DEDUCTION SCHEDULE

| <b>Date</b> | <b>Details</b> | <b>Total claim<br/>USD</b> | <b>Retention retain<br/>USD</b> | <b>Balance<br/>USD</b> |
|-------------|----------------|----------------------------|---------------------------------|------------------------|
| 20 Oct 16   | IPC 03         | 1,079,516.81               | 107,951.68                      | 107,952                |
| 29 Nov 16   | IPC 04         | 742,611.50                 | 74,261.15                       | 182,213                |

#### 5 OTHER RECEIPTS - SOLOMON ISLANDS GOVERNMENT

As stipulated in PAM, Section III Project Managements, Part A – Project Implementation Organizations, MID through CPIU will be responsible for proving in-kind contribution to the project by providing counterpart staff, office accommodation, transport and administrative support. The cost sharing of water bill with SMEC Office (20%) includes MID/SIRIP Office (10%), Mechanical Workshop (40%) and Pool/Office (30%) This actual amount is based on the actual totals of electricity and water bills as at 31December 2016.

The cost for SIG assistance from January 1, 2016 to December 31, 2016 is as follows;

| <b>In-Kind Contribution</b> | <b>Descriptions</b>     | <b>2016<br/>31 Dec<br/>USD</b> | <b>2015<br/>Dec 31<br/>USD</b> |
|-----------------------------|-------------------------|--------------------------------|--------------------------------|
| Electricity                 | Payment of Electricity  | 6,240                          | 5,576                          |
| Water                       | Payment of Water Charge | 1,132                          | 718                            |
| <b>Total</b>                |                         | <b>7,372</b>                   | <b>6,244</b>                   |

## 6 CASH AT END OF PERIOD

Cash at end of period refer to undisbursed fund from ADB as per withdrawal applications/invoices submitted.  
The summary is as follows;

| Items                        | Descriptions                   | 2016             | 2015          |
|------------------------------|--------------------------------|------------------|---------------|
| <b>ADVANCE PAYMENTS</b>      |                                |                  |               |
| SMEC Advanced Payments       | SMEC Dec'15 Invoice            |                  | 33,331        |
| <b>CHEC Advanced Payment</b> |                                |                  |               |
| Grant 0403-SOL               | First & Second Advance payment | 746,704          |               |
| Loan 3152-SOL                | First & Second Advance payment | 1,074,524        |               |
| <b>RETENTIONS</b>            |                                |                  |               |
| Grant 0403-SOL               | 10% retention for IPC 03/04    | 74,707           |               |
| Loan 3152-SOL                | 10% retention for IPC 03/04    | 107,506          |               |
|                              |                                | <u>2,003,441</u> | <u>33,331</u> |