

# Audited Project Financial Statements

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Project Number: 48923-001  
Loan/Grant Number: 3152, 0403  
Period covered: 1 January 2017 to 31 December 2017

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

Prepared by Ministry of Infrastructure Development

For the Asian Development Bank  
Date received by ADB: 9 July 2018

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.



## **Ministry of Infrastructure Development**

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

**ADB Grant No.0243-SOL, 0403-SOL  
ADB Loan No. 3152**

**2017 Financial Report  
31-Dec-17**

**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 2017**

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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 2017

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 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 2017.

Dated at Honiara this 5 day of July 2018

  
Mr. Stephen Maesiola  
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 2017**

		As at 31 Dec 17 Audited	As at 31 Dec 16 Audited	
	Notes	Receipts/Payments	Receipts/Payments	Cumulative*
		US\$	US\$	US\$
<b>RECEIPTS</b>				
<b>External Assistance - Multilateral Agencies</b>				
ADB - Third Party Payment - Ela Motors Ltd	2	-	-	68,527
ADB - Third Party Payments - SMEC Consulting Services	3	698,135	727,987	1,984,481
ADB - Third Party Payment - SMEC Mobilisation Advance	2	-	-	266,669
ADB - CHEC Mobilisation Advance	2	-	1,821,228	1,821,228
ADB - CHEC Construction claim	3	5,259,207	1,822,129	7,081,336
ADB - Geo-Con Products Pty Ltd -Equipment	3	31,544	-	31,544
ADB Finacing charges duing implementation	5	19,471		19,817
<b>Other Grants and Aid</b>				
Counterpart Funds-Solomon Islands Government	4	19,937	7,372	33,553
<b>TOTAL RECEIPTS</b>		<b>6,028,295</b>	<b>4,378,716</b>	<b>11,307,156</b>
<b>PAYMENTS</b>				
Ela Motor - Vehicles - Ela Motor Ltd	2	-	-	68,527
Consulting Services - SMEC International Pty Ltd)	3	698,135	694,656	1,951,150
Repayment - SMEC Advance Payment	3		33,331	300,000
Repayment of Mobilisation Advance - CHEC Ltd	2			1,821,228
Civil Works Direct Payment - CHEC	3	5,259,207	1,639,915	7,081,336
Geo-Con Products Pty Ltd -Equipment	3	31,544		31,544
ADB Finacing charges duing implementation	5	19,471		19,817
Solomon Islands Government Financing	4	19,937	7,372	33,553
<b>TOTAL PAYMENTS</b>		<b>6,028,295</b>	<b>2,375,274</b>	<b>11,307,156</b>
<b>Decrease /Increase in Cash</b>		<b>-</b>	<b>2,003,442</b>	<b>-</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 7

\*Cumulative figures include year 2015 to 2017

**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 2017**

Notes	31-Dec-17					31-Dec-16					Cumulative to Date		
	GRANT 0243-SOL USD	GRANT 0403-SOL USD	TOTAL GRANTS USD	LOANS 3152-SOL USD	SIG USD	TOTAL 31-Dec-17	GRANT 0243-SOL USD	GRANT 0403-SOL USD	TOTAL GRANTS USD	ADB LOANS 3152-SOL USD	SIG USD	TOTAL 31-Dec-16 USD	TOTAL YTD USD
Sources of Funds/Receipts of Funds													
External Assistance - Multilateral Agencies													
ADB Direct Payments													
2 Eia Motor Ltd - Equipment													68,527
3 SMEC International Pty Ltd - Consultancy Services	64,629	633,506	698,135	-	-	698,135	269,533	458,454	727,987	-	-	727,987	1,951,150
2 SMEC International Pty Ltd - Mobilisation Advance													300,000
2 China Harbour Engineering Company Ltd - Mobilisation Advance													1,821,228
3 China Harbour Engineering Company Ltd - Construction		2,156,275	2,156,275	3,102,932	-	5,259,207		746,704	746,704	1,074,524		1,821,228	7,081,336
3 Geo-Con Products Pty Ltd -Equipment		15,623	15,623	15,921	-	31,544		747,073	747,073	1,075,056		1,822,129	31,544
ADB Financing charges during implementation				19,471		19,471							19,817
Others Receipts													
4 Solomon Islands Government				19,937		19,937					7,372	7,372	33,553
TOTAL RECEIPTS	64,629	2,805,404	2,870,034	3,138,325	19,937	6,028,295	269,533	1,952,231	2,221,764	2,149,580	7,372	4,378,716	11,307,156
Less: Uses of Funds/Expenditures by Category													
2 Motor Vehicles ( Eia Motor Ltd)													68,527
3 Consulting Services (SMEC International Pty Ltd)	64,629	633,506	698,135			698,135	236,202	458,454	694,656			694,656	1,951,150
3 Repayment of Mobilisation Advance - SMEC Pty Ltd							33,331		33,331			33,331	300,000
2 Repayment of Mobilisation Advance - CHEC Ltd													1,821,228
3 China Harbour Engineering Co Ltd - Constructions		2,156,275	2,156,275	3,102,932		5,259,207		672,365	672,365	967,550		1,639,915	7,081,336
3 Geo-Con Products Pty Ltd -Equipment		15,623	15,623	15,921		31,544							31,544
ADB Financing charges during implementation				19,471		19,471							19,817
4 Solomon Islands Government Financing				19,937		19,937					7,372	7,372	33,553
TOTAL PAYMENTS	64,629	2,805,404	2,870,034	3,138,325	19,937	6,028,295	269,533	1,130,819	1,400,352	967,550	7,372	2,375,274	11,307,156
Balance (Receipts less Expenditures)	-	-	-	-	-	-	-	821,412	821,412	1,182,030	-	2,003,442	-

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 7



**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 2017**

**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 third 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 Project (TSFRP) as supervised by the Ministry of Infrastructure Development in the Solomon Islands. The program 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 1 January to 31 December 2017.

**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.

**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 2017 has not been provided.

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

From January 1, 2017 to December 31, 2017, the summary of invoices submitted to ADB under Loan 3152-SOL, Grant 0243 and Grant 0403 are as follows;

Category by Cost	Descriptions	2017 US\$	2016 US\$	Cumulative US\$
<b>1. Civil Works</b>				
CHEC - Advanced payments	Advance Payments Grant 0403(41%)	-	746,704	746,704
	Advance Payments Grant 3152(59%)	-	1,074,524	1,074,524
	<b>Total Advanced Payment</b>	<b>-</b>	<b>1,821,228</b>	<b>1,821,228</b>
CHEC - Payments Claims	Claim - Grant 0403 (41%)	2,156,275	747,073	2,903,348
	Claim - Loan 3152 (59%)	3,102,932	1,075,056	4,177,988
	<b>Total Claim</b>	<b>5,259,207</b>	<b>1,822,129</b>	<b>7,081,336</b>

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**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

Notes to and forming part of the Statement of Cash Receipts and Payments (cont)

<b>2. Equipment</b>		<b>2017</b>	<b>2016</b>	<b>Cumulative</b>
		<b>US \$</b>	<b>US\$</b>	<b>US\$</b>
Ela Motor	2 X Double Hilux Toyota			
	Grant 0403-SOL (50%)	-	-	33,820
	Loan 3152-SOL(50%)	-	-	34,707
		<u>-</u>	<u>-</u>	<u>68,527</u>
GEO - CON Products Pty Ltd	Grant 0403-SOL (50%)	15,623	-	15,623
	Loan 3152-SOL(50%)	15,921	-	15,921
		<u>31,544</u>	<u>-</u>	<u>31,544</u>
<b>3. Consultants</b>				
SMEC	Invoice, Grant 0243 (100%)	64,630	269,533	787,463
	Invoice, Grant 0403 (100%)	643,160	458,454	1,206,673
		<u>707,789</u>	<u>727,987</u>	<u>1,994,135</u>
Advance	Advance, Grant 0403 (100%)	-	33,331	<u>300,000</u>

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 Grant 0243-SOL</b>		<b>Invoices</b>	<b>US \$</b>	<b>FX</b>	<b>US \$</b>
SMEC Consultancy	SMEC Apr'17 Invoice		33,772	1.000	33,772
	SMEC May'17 Invoice		30,858	1.000	30,858
	<b>Total SMEC for Grant 0243-SOL in</b>		<u>64,630</u>		<u>64,630</u>

Grant 0243-SOL (TSDP) is closed. Submissions of invoices thereafter to be claimed under Grants 0403-SOL (TSFRP). Though June 2016 was the last invoice to be claimed under this grant, Grant 0243-SOL, due to having funds available under this grant, ADB had requested to submit withdrawal applications totalling US\$64,630 in May and April Invoices 2017

<b>b Grant 0403-SOL</b>		<b>Invoices</b>	<b>AUD \$</b>	<b>FX</b>	<b>US \$</b>
SMEC Consultancy	SMEC Jan'17 Invoice		373	1.309	285
	SMEC Feb'17 Invoice		8,759	1.334	6,566
	<b>Total in AUD/USD</b>		<u>9,132</u>		<u>6,851</u>
			<b>SBD \$</b>	<b>FX</b>	<b>US \$</b>
SMEC Consultancy	SMEC Dec'16 invoice		89,783.52	7.794	11,519.23
	SMEC Jan'17 invoice		99,656.44	7.794	12,785.92
	SMEC Feb'17 invoice		93,501.98	7.794	11,996.30
	SMEC Mar'17 Invoice		86,610.00	7.794	11,112.06
	SMEC Apr'17 Invoice		94,600.69	7.837	12,071.05
	SMEC May'17 Invoice		95,198.42	7.819	12,175.88
	SMEC Jun'17 Invoice		95,198.42	7.704	12,356.76
	SMEC Jul'17 Invoice		95,198.42	7.764	12,261.56
	SMEC Aug'17 Invoice		95,198.42	7.776	12,242.52
	SMEC Sept'17 Invoice		95,198.42	7.764	12,261.56
	SMEC Oct'17 Invoice		95,198.42	7.764	12,261.56
	SMEC Nov'17 Invoice		95,198.42	7.794	12,214.32
			<u>1,130,542</u>		<u>145,259</u>

Grant 0403 - SOL, SMEC January 2017 AUD Invoice, WA No.00030A, amount of AUD\$372.73/USD\$284.68 was still outstanding payment from ADB. SMEC November SBD Invoice was submitted to ADB, WA No.0046C, the amount of SBD\$95,198.42/US\$12,214.32. ADB paid SMEC SBD\$19,956.78/US\$2,560.45, the outstanding amount for November Invoice was SBD\$75,241.64/USD\$9,653.87. December Invoices were submitted to ADB in January 2018, USD Invoice, WA No.0052B, the amount of US\$51,234.54 and SBD Invoice, WA No.0047C, the amount of SBD\$95,198.42/USD\$12,280.66



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**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

Notes to and forming part of the Statement of Cash Receipts and Payments (cont)

<b>b Grant 0403-SOL</b>	<b>Invoices</b>	<b>USD \$</b>	<b>FX</b>	<b>US \$</b>
SMEC Consultancy	SMEC Dec'16 invoice	33,465.26	1.000	33,465
	SMEC Jan'17 invoice	53,710.99	1.000	53,711
	SMEC Feb'17 invoice	64,812.46	1.000	64,812
	SMEC Mar'17 Invoice	45,578.24	1.000	45,578
	SMEC Apr'17 Invoice	2,497.09	1.000	2,497
	SMEC May'17 Invoice	3,490.21	1.000	3,490
	SMEC Jun'17 Invoice	44,078.03	1.000	44,078
	SMEC Jul'17 Invoice	69,086.25	1.000	69,086
	SMEC Aug'17 Invoice	46,135.69	1.000	46,136
	SMEC Sept'17 Invoice	42,195.99	1.000	42,196
	SMEC Oct'17 Invoice	44,354.14	1.000	44,354
	SMEC Nov'17 Invoice	41,930.13	1.000	41,930
<b>Total in USD</b>		<b>491,334</b>		<b>491,334</b>
<b>Total Invoices for SMEC for Grant 0403</b>				<b>643,444</b>

<b>CHEC -Civil Works</b>	<b>Invoices</b>	<b>USD \$</b>	<b>FX</b>	<b>US \$</b>
Payment Claim	CHEC/IPC 05	229,818	1.000	229,818
Payment Claim	CHEC/IPC 06	224,719	1.000	224,719
Payment Claim	CHEC/IPC 07	176,639	1.000	176,639
Payment Claim	CHEC/IPC 08	312,830	1.000	312,830
Payment Claim	CHEC/IPC 09	201,005	1.000	201,005
Payment Claim	CHEC/IPC 10	418,897	1.000	418,897
Payment Claim	CHEC/IPC 11	167,734	1.000	167,734
Payment Claim	CHEC/IPC 12	218,045	1.000	218,045
Payment Claim	CHEC/IPC 13	206,589	1.000	206,589
<b>Total CHEC for Grant 0403 in USD</b>				<b>2,156,275</b>

<b>c Loan 3152-SOL</b>	<b>Invoices</b>	<b>USD \$</b>	<b>FX</b>	<b>US \$</b>
Payment Claim	CHEC/IPC 05	330,714.09	1.000	330,714
Payment Claim	CHEC/IPC 06	323,376.72	1.000	323,377
Payment Claim	CHEC/IPC 07	254,187.91	1.000	254,188
Payment Claim	CHEC/IPC 08	450,169.73	1.000	450,170
Payment Claim	CHEC/IPC 09	289,250.73	1.000	289,251
Payment Claim	CHEC/IPC 10	602,802.56	1.000	602,803
Payment Claim	CHEC/IPC 11	241,372.63	1.000	241,373
Payment Claim	CHEC/IPC 12	313,771.74	1.000	313,772
Payment Claim	CHEC/IPC 13	297,286.08	1.000	297,286
<b>Total CHEC for Loan 3152 in USD</b>				<b>3,102,932</b>
<b>Total Civil Works - CHEC</b>				<b>5,259,207</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;

<b>Category by Cost</b>	<b>Descriptions</b>	<b>2017 US\$</b>	<b>2016 US\$</b>	<b>Cumulative US\$</b>
<b>1.Civil Works</b>				
CHEC - Payment Claim	Grant 0403 (41%)	2,156,275	672,366	2,828,641
	Loan 3152 (59%)	3,102,932	967,550	4,070,482
	<b>Total Payment Claim</b>	<b>5,259,207</b>	<b>1,639,916</b>	<b>6,899,123</b>
<b>2.Consultants</b>				
Grant 0243-SOL	SMEC – Design & Supervision (100%)	64,629	236,202	754,131
Grant 0403-SOL	SMEC – Design & Supervision (100%)	633,506	458,454	1,197,019
		<b>698,135</b>	<b>694,656</b>	<b>1,951,150</b>
Grant 0403-SOL	SMEC – Mobilization Advance	-	33,331	300,000
		<b>-</b>	<b>33,331</b>	<b>300,000</b>
<b>3.Equipment</b>				
GEO - CON Products Pty Ltd	Grant 0403-SOL (50%)	15,623	-	15,623
	Loan 3152-SOL(50%)	15,921	-	15,921
		<b>31,544</b>	<b>-</b>	<b>31,544</b>

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**FOR THE YEAR ENDED 31 DECEMBER 2017**

Notes to and forming part of the Statement of Cash Receipts and Payments (cont)

*The Third Party payments transaction as at 31 December 2017 are as follows*

The payments 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:

a	Grant 0243-SOL	Invoices	USD \$	FX	US \$
	SMEC -Third Party Payment	SMEC Apr'17 Invoice	33,772	1.000	33,772
		SMEC May'17 Invoice	30,858	1.000	30,858
		<b>Total CHEC for Grant 0243 in USD</b>	<b>64,629</b>		<b>64,629</b>
b	Grant 0403-SOL	Invoices	AUD \$	FX	USD \$
	1.SMEC - Third Party Payments	SMEC Feb'17 Invoice	8,759	1.334	6,567
		<b>Total in AUD/USD</b>	<b>8,759</b>		<b>6,567</b>
			SBD \$	FX	US \$
		SMEC Dec'16 invoice	89,783.52	7.794	11,519
		SMEC Jan'17 invoice	99,656.44	7.794	12,786
		SMEC Feb'17 invoice	93,501.98	7.794	11,996
		SMEC Mar'17 Invoice	86,610.00	7.794	11,112
		SMEC Apr'17 Invoice	94,600.69	7.837	12,071
		SMEC May'17 Invoice	95,198.42	7.819	12,176
		SMEC Jun'17 Invoice	95,198.42	7.704	12,357
		SMEC Jul'17 Invoice	95,198.42	7.764	12,262
		SMEC Aug'17 Invoice	95,198.42	7.776	12,243
		SMEC Sept'17 Invoice	95,198.42	7.764	12,262
		SMEC Oct'17 Invoice	95,198.42	7.764	12,262
		SMEC Nov'17 Invoice	19,956.78	7.794	2,560
		<b>Total in SBD/USD</b>	<b>1,055,300</b>		<b>135,605</b>
			USD \$	FX	US \$
		SMEC Dec'16 invoice	33,465	1.000	33,465
		SMEC Jan'17 invoice	53,711	1.000	53,711
		SMEC Feb'17 invoice	64,812	1.000	64,812
		SMEC Mar'17 Invoice	45,578	1.000	45,578
		SMEC Apr'17 Invoice	2,497	1.000	2,497
		SMEC May'17 Invoice	3,490	1.000	3,490
		SMEC Jun'17 Invoice	44,078	1.000	44,078
		SMEC Jul'17 Invoice	69,086	1.000	69,086
		SMEC Aug'17 Invoice	46,136	1.000	46,136
		SMEC Sept'17 Invoice	42,196	1.000	42,196
		SMEC Oct'17 Invoice	44,354	1.000	44,354
		SMEC Nov'17 Invoice	41,930	1.000	41,930
		<b>Total in USD</b>	<b>491,334</b>		<b>491,334</b>
		<b>Total for SMEC in USD</b>			<b>633,506</b>
2.CHEC					
	Payment Claim	CHEC/IPC 05 (41%)	229,818.26	1.000	229,818
	Payment Claim	CHEC/IPC 06(41%)	224,719.42	1.000	224,719
	Payment Claim	CHEC/IPC 07(41%)	176,639.06	1.000	176,639
	Payment Claim	CHEC/IPC 08(41%)	312,829.81	1.000	312,830
	Payment Claim	CHEC/IPC 09(41%)	201,004.75	1.000	201,005
	Payment Claim	CHEC/IPC 10(41%)	418,896.70	1.000	418,897
	Payment Claim	CHEC/IPC 11(41%)	167,733.52	1.000	167,734
	Payment Claim	CHEC/IPC 12(41%)	218,044.77	1.000	218,045
	Payment Claim	CHEC/IPC 13(41%)	206,588.64	1.000	206,589
		<b>Total for CHEC in USD</b>	<b>2,156,275</b>		<b>2,156,275</b>

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**STATEMENT OF CASH RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

Notes to and forming part of the Statement of Cash Receipts and Payments (cont)

*The Third Party payments transaction as at 31 December 2017 are as follows*

**c Loan 3152-SOL**

	Invoices	<u>USD \$</u>	FX	<u>US \$</u>
<b>CHEC</b>				
Payment Claim	CHEC/IPC 05 (59%)	330,714	1.000	330,714
Payment Claim	CHEC/IPC 06 (59%)	323,377	1.000	323,377
Payment Claim	CHEC/IPC 07 (59%)	254,188	1.000	254,188
Payment Claim	CHEC/IPC 08 (59%)	450,170	1.000	450,170
Payment Claim	CHEC/IPC 09 (59%)	289,251	1.000	289,251
Payment Claim	CHEC/IPC 10 (59%)	602,803	1.000	602,803
Payment Claim	CHEC/IPC 11 (59%)	241,373	1.000	241,373
Payment Claim	CHEC/IPC 12 (59%)	313,772	1.000	313,772
Payment Claim	CHEC/IPC 13 (59%)	297,286	1.000	297,286
<b>Total for Loan 3152 in USD</b>		<b>3,102,932</b>		<b>3,102,932</b>

**2.Equipment**

		<u>AUD \$</u>	FX	<u>USD \$</u>
GEO - CON Products Pty Ltd	Grant 0403-SOL (50%)	20,685	1.324	15,623
	Loan 3152-SOL(50%)	20,685	1.299	15,921
<b>Total in AUD/USD</b>		<b>41,370</b>		<b>31,544</b>

**4 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 2017.

The cost for SIG assistance from January 1, 2017 to December 31, 2017 is as follows;

In-Kind Contribution	Descriptions	<b>2017 31-Dec <u>USD \$</u></b>	<b>2016 31-Dec <u>USD \$</u></b>
Electricity	Payment of Electricity	16,921	6,240
Water	Payment of Water Charge	3,016	1132
		<b>19,937</b>	<b>7,372</b>

**5 ADB Financing Charges - LOAN 3152**

	<b>2017 <u>USD \$</u></b>	<b>2016 <u>USD \$</u></b>	<b>Cumulative <u>US\$</u></b>
ADB Financing charges during implementation	19,471	344	<b>19,817</b>

ADB Financing charges during implementation under Loan 3152 was recorded in ADB LFIS website. For 2015 and 2016, the amounts were not shown in the Statements of Cash Receipts & Payments. For 2017, the figures ADB financing charges during implementation is shown in the Statement of US\$19,471. For cumulative amount from 2015 to 2017 was US\$19,817. The figures for 2015, US\$0.96 and 2016, US\$344.



## **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 2017 to 31 December 2017, and a summary of significant accounting policies and other explanatory information. This Report has been prepared by in accordance with the Grant Agreement dated 28 February 2017 between the Solomon Islands Government and the Asian Development Bank, Grant No. 0243/0403-SOL and Loan No. 3152, (the "Program") for the funding period 1 January 2017 to 31 December 2017.

In our opinion, the funds have been used in all material respects in accordance with the conditions of the grant agreement between Solomon Islands Government and ADB and in accordance with 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 are independent of the Company in accordance with the auditor independence requirements of the *International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

  
DELOITTE TOUCHE TOHMATSU

  
Mark Clarke  
Partner  
Chartered Accountants  
Honiara, 6 July 2018