

Audited Project Financial Statements

Project Number: 48293
Loan/Grant Number: L3152, G0403
Period covered: 1 January 2015 to 31 December 2015

SOL: Transport Sector Flood Recovery Project

Prepared by Ministry of Infrastructure Development

For the Asian Development Bank
Date received by ADB: 3 June 2016

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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 2015

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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 2015.

Dated at Honiara this 30th day of May 2016



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

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STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Payments by Third Parties	Cumulative*
		USD \$	USD \$
RECEIPTS			
External Assistance - Multilateral Agencies			
ADB - Third Party Payment - Ela Motors Ltd	2	68,527	68,527
ADB - Third Party Payments - SMEC Consulting Services	2	558,359	558,359
ADB - Third Party mobilization Advance - SMEC Consulting Services	2	300,000	300,000
Other Grants and Aid			
Other Receipts			
Solomon Islands Government	5	6,244	6,244
TOTAL RECEIPTS		933,130	933,130
PAYMENTS			
Motor Vehicles - Ela Motor Ltd	3	68,527	68,527
Consulting Services - SMEC International Pty Ltd)	3	558,359	558,359
Repayment of Mobilization Advance	3	266,669	266,669
Solomon Islands Government Financing	5	6,244	6,244
Bank Charges		-	-
TOTAL PAYMENTS		899,800	899,800
Cash at beginning of period		-	-
Decrease /Increase in Cash		33,331	33,331
Foreign exchange differences		-	-
Cash at end of period		33,331	33,331

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 4 and 6

*Cumulative figures includes Year to Date

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FOR THE YEAR ENDED 31 DECEMBER 2015

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). 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 program commenced on 2 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 2 March 2015 to 31 December 2015.

c Reporting Currencies

The accounts are stated in United States dollars (USD\$) 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 USD\$ 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 2015 has not been provided.

2 EXTERNAL ASSISTANCE - MULTILATERAL AGENCIES - GRANTS RECEIVED

In 2015, ADB Loans and Grant receives as follows;

		2015	YTD
		<u>USD\$</u>	<u>USD\$</u>
Grant /Loan Ref			
Grant 0403-SOL	<i>Motor Vehicle – 50% of total Invoice</i>	33,820	33,820
Loan 3152-SOL	<i>Motor Vehicle – 50 % of total Invoice</i>	34,707	34,707
	Total	68,527	68,527
Grant No.0243-SOL	<i>Consulting Services – 100%</i>	453,300	453,300
Grant No. 0403-SOL	<i>Consulting Services – 100%</i>	105,059	105,059
	Total	558,359	558,359
Grant No.0403-SOL	<i>Mobilization advance</i>	300,000	300,000
	Total	300,000	300,000

a Grant 0243-SOL

In 2015 under Grant 0243-SOL, the total receipts is USD\$ 453,300 for the consulting services in three currencies; SBD 71,027.28 (equivalent to USD\$12,946), AUD 17,929.55 (equivalent to USD\$13,146.82) and USD\$ 432,948.

b Grant 0403-SOL

In 2015 under Grant 0403-SOL, the total receipts is USD\$ 438,878.50. The amount of USD\$105,058.60 is for the consulting services, USD\$ 300,000 is for the consultant mobilization advance payment and USD\$ 33,819.20 is for the purchase of one of the two vehicles.

c Loan 3152-SOL

In 2015 under Loan 3152-SOL, the total loan receipt is USD\$ 33,819.90, equivalent to SBD 260,956 being for the purchase of the second project vehicle.

3 THIRD PARTY PAYMENTS

In 2015, the total payments under ADB funding are as follows:

		2015 <u>USD\$</u>	YTD <u>USD\$</u>
Grant 0403-SOL	<i>Motor Vehicle</i>	33,820	33,820
Loan 3152-SOL	<i>Motor Vehicle</i>	34,707	34,707
	Total	68,527	68,527
Grant No.0243-SOL	<i>Consulting Services</i>	453,300	453,300
Grant No. 0403-SOL	<i>Consulting Services</i>	105,059	105,059
	Total	558,359	558,359
Grant No.0403-SOL	<i>Mobilization Advance</i>	266,669	266,669
	Total	266,669	266,669

The Third Party payments for 2015 are as follows:

a *Ela Motor - Motor Vehicles under Equipment Payment*

The purchase of two Double Cabin Hilux under ADB procurement method shopping was executed. The amount of SDB 260,956 (equivalent to USD\$ 33,819.90 at that exchange rate of transaction) was purchased under Grant No 0403-SOL. The second vehicle invoice at SBD 260,956 (equivalent to USD\$ 34,707 at the exchange rate of transaction) was purchased under Loan No. 3152. 50% of total cost shared amongst the Grant and the Loan

b *SMEC Consultancy Services*

The SMEC invoices are presented in USD\$, AUD and SBD and payments 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 total payment for SMEC invoices under Grant 0243 is USD\$ 453,100, and under grant 0403, is USD\$105,059 respectively.

4 MOBILIZATION ADVANCE REPAYMENT

c 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 USD\$ 266, 669 was made in 2015. The Schedule of Mobilization Advance Repayment as follows;

Date	Details	Invoice No	Repayment	Balance
May-15	Mobilization Advance			USD\$ 300,000.00
30-Jun-15	SMEC Mar/Apr'15 Invoice	5037010.002U	USD\$ 33,333.33	USD\$ 266,666.67
6-Jul-15	SMEC May'15 Invoice	5037010.003U	USD\$ 33,333.33	USD\$ 233,333.34
15-Jul-15	SMEC Jun'15 Invoice	5037010.004U	USD\$ 33,333.33	USD\$200,000.01
28-Aug-15	SMEC Jul'15 Invoice	5037010.005U	USD\$ 33,333.33	USD\$166,666.68
21-Oct-15	SMEC Aug'15 Invoice	5037010.006U	USD\$ 33,333.33	USD\$133,333.35
30-Nov-15	SMEC Sep'15 Invoice	5037010.007U	USD\$ 23,315.37	USD\$110,017.98
1-Dec-15	SMEC Oct'15 Invoice	5037010.008U	USD\$ 43,354.10	USD\$ 66,663.88
2-Dec-15	SMEC Nov'15 Invoice	5037010.009U	USD\$ 33,333.33	USD\$ 33,330.55
	Total		USD\$ 266,669.45	

5 OTHER RECEIPTS - SOLOMON ISLANDS GOVERNMENT

SIG is also to contribute to the project by providing counterpart staff, office accommodation, transport and administrative support. The estimated value of this assistance for 2015 is USD\$ 6,244.48 based on actual 2015 payments for electricity of US\$ 5,576.37 and actual 2015 payments of USD\$ 718.11 for water bills. This actual amount is based on the actual totals of electricity and water bills for 2015 shared by DMSP and TSFRP.