

Audited Project Financial Statements

Project Number: 48346-002
Grant Number: 0514-0515
Period covered: For Year End 31 December 2017

SOL: Solar Power Development Project

Prepared by Solomon Power

For the Asian Development Bank
Date received by ADB: 11 February 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 Public Communications Policy 2011 and as agreed between ADB and the Government of State of Yap.

ASIAN DEVELOPMENT BANK
SOLAR POWER DEVELOPMENT PROJECT
PROJECT NUMBER: 48346-002

AUDITED PROJECT FINANCIAL STATEMENT

Project Number: 48346-002

Grant Number: 0514-SOL(SF)/0515-SOL(EF)

Period Covered: 2nd February 2017 to 31st December 2017

SOL: SOLAR POWER DEVELOPMENT PROJECT

ASIAN DEVELOPMENT BANK
SOLAR POWER DEVELOPMENT PROJECT
GRANT NO. 0514-SOL(SF), 0515-SOL(EF)
FOR THE PERIOD 2ND FEBRUARY 2017 TO 31ST DECEMBER 2017

Report of the Implementing Agency

In my capacity as CEO of Solomon Power, I have the mandate from the ADB and the Ministry of Finance and Treasury as the Executing Agency, to supervise and manage the funds provided for the Solar Power Development Project 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 Solar Power Development Project for the period ended 31 December 2017.

Dated at HONIARA this 8th day of February 2019.



Mr. Pradip Verma
Chief Executive Officer

Independent Auditor's Report

Report on the Statement of Cash Receipts and Payments Of the Solar Power Development Project

We have audited the accompanying financial reports of the Solar Power Development Project which comprise the Statement of Cash Receipts and Payments for the period 2nd February 2017 to 31st December 2017, and a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 5.

Responsibility for the Statement of Cash Receipts and Payments

Solomon Power, as the Implementing Agency, is responsible for the preparation and fair presentation of the Statement of Cash Receipts and Payments in accordance with the requirements of the Asian Development Bank (ADB) and the Grant Agreements 0514-SOL(SF) and 0515-SOL(EF) dated 2nd February 2017 between Solomon Islands Government and ADB, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement of Cash Receipts and Payments based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Statement of Cash Receipts and Payments is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Cash Receipts and Payments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

The audit also involved evaluating the project's compliance with the requirements of the Grant Agreements 0514-SOL and 0515 - SOL between Solomon Islands Government and the Asian Development Bank.

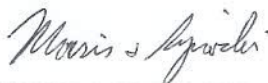
We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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

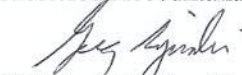
Opinion

In our opinion:

- (a) the Statement of Cash Receipts and Payments for the period ended 31st December 2017, presents, in all material respects, accurately the grants received and payments incurred for the Solar Power Development Project in conformity with Cash Basis IPSAS;
- (b) payments made by Solomon Power in respect of the project, have, in all material respects, been used in accordance with the conditions of the financing agreement, and only for the purposes for which they were provided and adequate documentation exists to support the payments incurred as detailed in the Statement of Receipts and Payments.



MORRIS & SOJNOCKI
Chartered Accountants



BY Greg J. Sojnocki
PARTNER

Date: 11th February 2019
Honiara

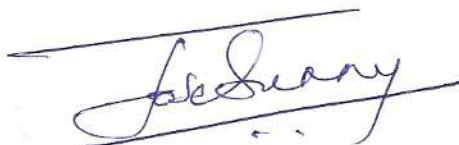
**ASIAN DEVELOPMENT BANK
SOLAR POWER DEVELOPMENT PROJECT
GRANT NO. 0514-SOL(SF), 0515-SOL(EF)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD 2ND FEBRUARY 2017 TO 31 DECEMBER 2017**

	Notes	2017 USD
RECEIPTS		
External Assistance - Multilateral Agencies		
ADB Grant	3	65,297
Other Grants and Aid		
Solomon Islands Government	4	95,353
TOTAL RECEIPTS		<u>160,650</u>
PAYMENTS		
Consulting Services	5	65,297
Survey & Topography Services	6	63,533
Consulting Services	6	3,458
Legal Services	6	1,216
Travelling, Accommodation, Per diems	6	14,022
Other Costs	6	13,124
TOTAL PAYMENTS		<u>160,650</u>
BALANCE OF FUNDS AT END OF THE PERIOD		<u><u>-</u></u>

The statement is to be read in conjunction with Notes to and forming part of the Statement of Cash Receipt and Payment on page 4 to 5.



Pradip Verma
Chief Executive Officer



Jose Poothokaren
Chief Financial Officer

ASIAN DEVELOPMENT BANK
SOLAR POWER DEVELOPMENT PROJECT
GRANT NO.0514-SOL(SF), 0515-SOL(EF)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 2ND FEBRUARY 2017 TO 31ST DECEMBER 2017

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The special purpose Financial Statement has been prepared in accordance with International Public Sector Accounting Standards. Finance Reporting under the Cash Basis of Accounting (Cash Basis IPSAS).

b) Reporting Entity

The Special purpose Financial Statement is for the Solar Power Development Project as supervised by the Ministry of Finance in the Solomon Islands. The project commenced on 2nd February 2017, with the signing of the project agreement between Solomon Power and the Asian Development Bank.

The Financial Statement covers the period commencing 2nd February 2017 to 31st December 2017.

c) Reporting Currencies

The amounts are stated in United States dollars as this is the currency used for the grants and all project reports. Foreign currency equivalents are converted at the rate applicable at the date of transaction.

d) Budget vs Actuals

The project has a multi-year financing plan, as opposed to annual budgets that place limits on the spending in one year. Below are the information in regards to actuals versus budget for the reporting period.

ADB Funding				
Items	Budget			Actual Cost
	ADF Grant	SCF Grant	Total	
A. Investment Costs				
Civil Works	1,100,000	5,400,000	6,500,000	
Consulting Services	800,000	-	800,000	65,297
Land Acquisition and Site Preparation	-	-	-	-
B. Contingencies	340,000	800,000	1,140,000	-
Total	2,240,000	6,200,000	8,440,000	65,297

SI Government Funding				
Items	Budget		Total	Actual Cost
	Base Cost	Taxes & Duties		
A. Investment Costs				
Civil Works	3,800,000	1,100,000	4,900,000	-
Consulting Services	-	100,000	100,000	-
Land Acquisition	600,000	100,000	700,000	95,353
B. Contingencies	1,060,000	-	1,060,000	-
Total	5,460,000	1,300,000	6,760,000	95,353

e) ADB Disbursement

For the period ending 2017, no disbursement was made for grant number 0515-SOL (EF).

**ASIAN DEVELOPMENT BANK
SOLAR POWER DEVELOPMENT PROJECT
GRANT NO.0514-SOL(SF), 0515-SOL(EF)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 2ND FEBRUARY 2017 TO 31ST DECEMBER 2017**

Notes to and forming part of the Statement of Cash Receipts and Payments - Con't

2. CASH

There is no separate Bank Account for the project. Grants received are deposited into Solomon Power Bank account.

3 EXTERNAL ASSISTANCE - GRANT RECEIVED

Reimbursement received from ADB represents the following:

	2017 USD
ADB Grant	65,297
	<u>65,297</u>

4. OTHER GRANT AND AIDS

Funds provided by Solomon Power as contribution towards to the Project represents the following:

	2017 USD
Government Counterpart Funds	95,353
	<u>95,353</u>

5. EXTERNAL ASSISTANCE - PAYMENT BY THIRD PARTIES

Payments represent costs paid by Solomon Power to the following:

	2017 USD
Consulting Services - Mr. Vivek Mishra	65,297
	<u>65,297</u>

6. OTHER PAYMENTS - SOLOMON ISLANDS GOVERNMENT

Payments represent costs paid by Solomon Power as contribution towards to the project:

	2017 USD
Survey & Topography Services - Mosese Surveyors	9,316
Survey & Topography Services - Astro	5,289
Survey & Topography Services - Wantok Appraisers	362
Survey & Topography Services - Lashee	12,568
Survey & Topography Services - Leslie Volelia	1,722
Explosive Ordinances Services - SIEO Tech	34,276
Consulting Services - Alfred Warau	3,458
Legal Services - Sol Law	1,216
Travelling, Accommodation, Per diems	14,022
Other Costs	13,124
	<u>95,353</u>