WORLD BANK
TINA RIVER HYDROPOWER PROJECT
GRANT NOs. TF0A01835 and TF0A09054

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 DECEMBER 2018

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Under the terms of my contract, I have the mandate from the World Bank and the Ministry of Finance as Executing Agency, to supervise and manage the funds provided for the Tina River HydroPower Project (TRHP) funded by the World Bank.

The attached Statement of Cash Receipts and Payments had been prepared under my supervision. I therefore certify that it presents a true and accurate view of the cash receipts and payments of the TRHP for the year ending 31 December 2018.

Dated at Honiara this 29 day of July 2019.

Fred Conning
Deputy Project Manager
Executing Agency Representative
Tina River HydroPower Project
Independent Auditor’s Report

Report on the Statement of Cash Receipts and Payments

We have audited the accompanying financial reports for the Tina River Hydropower Development Project which comprise the Statement of Cash Receipts and Payments for the period 1st January 2018 to 31st December 2018 and a summary of significant accounting policies and other explanatory notes as set out on page 4.

Responsibility for the Statement of Cash Receipts and Payments

The Ministry of Mine and Energy and Rural Electricity, as the Executing Agency, and the management of the Tina River Hydropower Development Project are responsible for the preparation and fair presentation of the Statement of Cash Receipts and Payments in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS) and the Grant Agreements TF0A1895 dated 9th March 2016, TF0A9054 dated 6th November 2018, between the Solomon Islands Government (SIG) and the World Bank, 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 applicable Auditing Standards in Solomon Islands. 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 TF0A1895 dated 9th March 2016, TF0A9054 dated 6th November 2018 between Solomon Islands and the World 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 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 2018, presents, in all material respects, accurately the funds received and expenditure incurred of the Tina River Hydropower Development Project in conformity with Cash Basis IPSAS and applied on a basis consistent with that of the previous audit period;

(b) project funds provided by the World Bank, 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 has been maintained to support the expenditure incurred as detailed in the Statement of Expenditure and reported in the Statement of Receipts and Payments; and

(c) the designated accounts have been used and maintained in accordance with the provisions of the financing agreement and cash at bank balances at 31st December 2018 are correctly stated.

Date: 29th July 2019

Honiara

BY WAYNE F. MORRIS
PARTNER
### Statement of Cash Receipts and Payments

For the period from 1 January 2018 to 31 December 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
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<td>$</td>
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#### Receipts

**External Assistance - Multilateral Agencies**

- APIP - Grant Received: 3, 225,247, 156,536
- GIF - Grant Received: 3, - 700,000
- PRIF - Grant Received: 3, 200,000, -
- Other receipts: 4, 16,016, -

**Total Receipts:** 441,263, 856,536

#### Payments

- Consulting services: 432,642, 832,903
- Incremental operating costs: 540, 81,699

**Total Payments:** 433,182, 914,602

#### Increase / (Decrease) in Cash

- 8,081 (58,066)

**Cash at beginning of period:** 9,248, 67,314

**Cash at end of period:** 17,329, 9,248

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This statement is to be read in conjunction with the Notes to and forming part of the Statement of Cash Receipts and Payments on page 4.
1 STATEDMENT 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 Tina River Hydropower Project as supervised by the Ministry of Finance in the Solomon Islands. The program commenced on 18 March 2010, with the signing of the contract between Ministry of Finance & Treasury and the World Bank. This Statement covers the period from 1 January 2018 to 31 December 2018.

(c) Reporting Currencies
The accounts are stated in United States Dollar (USD).

(d) Budget
The Project has a multi-year financing plan, as opposed to annual budgets that place limits on the spending for the year. The Project fund allocation are done via Project Procurement Plan.

2 CASH
Cash is comprised of cash balances, and un-acquitted imprest accounts.

As at 31 December, cash is comprised of:

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<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Working Account (ANZ)</td>
<td>$17,329</td>
<td>$9,248</td>
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</table>

3 EXTERNAL ASSISTANCE - GRANTS RECEIVED
The TRHP is co-funded by the Solomon Islands Government and PRIF, APiP, and GIF. All PRIF, APiP, and GIF funds are administered by the World Bank. SIG grants are paid directly to the Project account, therefore does not require reporting to the World Bank, thus its exclusion from the financial reports prepared here.

4 Other receipts
The amount of USD16,016 disclosed as other receipts is a re-imbursement from SBD account to USD account during the year. This relates to the USD49,517 which was disclosed in the 2017 statement of cash receipts and payments as part of the incremental operating costs and disclosed in the notes as a receivable from SBD account. Recommendation for the offsetting of the the remaining balance of USD33,501 was approved subsequently on 23 May 2019 by the Permanent Secretary of the Ministry of Mines, Energy & Rural Electrification.