

Reference

14.21

**SOLOMON ISLANDS
VISITORS BUREAU**

**Financial
Report for
the year
ended 31st
December
2009**

Solomon Islands Visitors Bureau
Financial Statements for the year ended 31st December 2009

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**Solomon Islands Visitors Bureau
Directors' Report for the year ended 31st December 2009**

In accordance with Solomon Islands Visitors Bureau Act 1996, the directors present their report with the financial statements of Solomon Islands Visitors Bureau for the year ended 31st December 2009 and the Accountant's Compilation Report thereon.

Principal Activities

The principal activity of the statutory body during the year is to market and promote Solomon Islands as a tourist destination.

Results and Dividends

The net Surplus/ (deficit) for the year was (\$695,218) (2008: Surplus \$937,230). No dividends have been paid or declared since the end of the previous financial year.

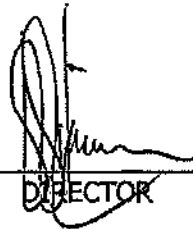
Statement by Directors

In accordance with a resolution of the Directors' of Solomon Islands Visitors Bureau, we state that in our opinion:

- (a) the statement of Cash receipts and payments are drawn up so as to present fairly the results of the entity for the financial year ended 31st December 2009; and
- (b) the financial statements have been made out in accordance with the International Public Sector Accounting Standards under the Cash Basis of Accounting (Cash Basis IPSAS).



DIRECTOR



DIRECTOR

**Accountant's Compilation Report
For The Year Ended 31st December 2009**

Instructions

The accompanying financial reports have been prepared by us at the instruction of our above named client solely for their purpose. The financial reports have been prepared from records, information and instructions furnished to us by the above named client.

Terms of our engagement

Under the terms of our engagement we have not audited the accounting records or the financial reports.

No opinion

Accordingly, we express no opinion on whether they present a true and fair view of the trading results and cash flows for the year ended 31st December 2009.

Disclaimer

Neither, the firm nor any member or employee of the firm accepts any responsibility whatsoever for the accuracy of the material from which the financial reports have been prepared. Neither the firm nor any member or any employee of the firm undertakes any responsibility on any grounds whatsoever to any other parties for these financial reports.



CBL Certified Practising Accountants

Date: 7th May 2014
Honiara



By Gideon Zoleveke
PRINCIPAL

Reference	Solomon Islands Visitors Bureau					
1.3.A(a)	Statement of Cash Receipts and Payments					
	For the year ended 31 st December 2009					
			31 st December 2009		31 st December 2008	
	Notes	Receipts/ (Payments) \$	Payments by Third Parties \$	Receipts/ (Payments) \$	Payments by Third Parties \$	
RECEIPTS						
<i>Grants and other</i>						
Government Subvention		0		1,000,000		
Other		21,275		0		
		21,275		1,000,000		
<i>Levies and Licenses</i>						
Bed Levies		2,409,874		2,646,908		
Unit Levies		34,600		2,200		
Licenses		23,063		6,125		
		2,467,537		2,655,233		
<i>Trading Activities</i>						
Receipts from trading activities		25,469		25,621		
Other receipts		11,823		22,630		
Less: Accrued Revenues		0		201,712		
Total receipts		2,526,104		3,501,772		

Reference	Solomon Islands Visitors Bureau					
	Statement of Cash Receipts and Payments					
	For the year ended 31st December 2009					
			31st December 2009		31st December 2008	
		Note	Receipts/ (Payments) \$	Payments by Third Parties \$	Receipts/ (Payments) \$	Payments by Third Parties \$
1.3.1	PAYMENTS					
3						
	Marketing and Promotion	3	(1,734,875)		(1,590,206)	
	Operation	4	(648,169)		(618,078)	
	Wages, Salaries & Associated Costs (All Employees)	5	(679,447)		(679,842)	
	Auditors remuneration	6	0		(29,000)	
	Other Expenses	7	(6,191)		(7,843)	
	Total Payments		(3,068,682)		(2,924,969)	
	<i>Capital Expenditures</i>					
	Purchase of Property, Plant and Equipment	9	(64,754)		0	
	Other Payments-Creditors		(87,886)		0	
	Less: Accrued Expenses		0		(360,427)	
1.2.1	Total Payments		(3,221,322)		(2,564,542)	
2(b)						
	Increase/(decrease) in cash And cash equivalents		(695,218)		937,230	

Reconciliation of Cash Movement

Cash and Cash Equivalents at beginning of year	2	1,686,585		749,355
Increase/(decrease) in cash equivalents		(695,218)		937,230
Cash and cash equivalents at end of year	2	991,367		1,686,585

	Solomon Islands Visitors Bureau
Reference	Notes to the Financial Statements
1.3.4(b)	1. Accounting Policies
1.3.30	<i>Basis of Preparation</i>
	The financial statements have been prepared in accordance with the International Public Sector Accounting Standards under The Cash Basis of Accounting (Cash Basis IPSAS).
	The Accounting policies have been applied consistently throughout the period.
1.4.7	<i>Reporting Entity</i>
	The financial statements are for the Solomon Islands Visitors Bureau (SIVB), which is a statutory body in the Solomon Islands. The financial statements encompass the reporting entity as specified in the relevant legislation (Solomon Islands Visitors Bureau Act 1996).
	The principal objective of SIVB is to market and promote Solomon Islands as a tourist destination. The SIVB also regulates and issues licenses to all accommodation operators in Solomon Islands.
1.4.7(d)	<i>Controlling Entity</i>
	For accounting purposes the SIVB reports to the Solomon Islands Government through the Ministry of Culture and Tourism for all policy matters. Financial reporting frame work and accounting policies are normally set by the Ministry of Finance or where appropriate through the adoption of appropriate international accounting standards.
1.10.8	<i>External Assistance</i>
	The SIVB receives benefits from payments made by external third parties (entities external to the SIVB) for goods and services. These Payments do not constitute cash receipts or payments for SIVB. They are disclosed in the Payments by third parties notes in the financial statements.
	<i>Restricted Cash Balances</i>
	Restricted cash balances are monies collected on behalf of another statutory entity or Solomon Islands Government Department. These monies are then forwarded to the entity/department on an agreed schedule. These monies are not available for use by the SIVB. Restricted Cash Balance includes Pay As You Earn (PAYE) and NPF employees and employer contributions withheld at calculation of employee's salaries.
1.4.23(d)	<i>Reporting Currency</i>
	The financial statements are presented in Solomon Islands currency, expressed as Solomon Bokolo Dollars (SBD) (\$)
1.7.2	<i>Foreign Currency Transactions</i>
	Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate at date of the transaction.
1.4.16	<i>Classifications</i>
1.4.19	Prior year balances have been reclassified to correspond to current year disclosures where considered necessary.
	<i>Property and Equipment</i>
	<i>Acquisition and valuation</i>
	The cost method of accounting is used for all acquisition of assets. Cost measured as of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition

Solomon Islands Visitors Bureau				
Reference	Notes to the Financial Statements			
1.Accounting Policies continue				
<i>Depreciation</i>				
SIVB has not account for depreciation expense since payments of fixed assets were expensed during the time of procurement. However, depreciation is calculated in note 9 to determine the book value of assets over their estimated useful lives. In 2009, depreciation on land and building is provided for on a straight line basis and other assets are provided for on a diminishing value basis at rates calculated to allocate the cost or valuation less estimated useful lives of the assets against the revenue over those estimated useful lives.				
Major depreciation rates are:				
	Land and Buildings	5%		
	Equipment	25%		
	Motor Vehicles	20%		
	Furniture & Fittings	20%		
<i>Trade and Other Receivables</i>				
No debtors were disclosed in the financial statements. However, in the main general ledger of SIVB, amounts are maintained to keep track of outstanding balances. All debtors are recognized at the amounts receivable at cost and is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when doubts as to collection exists.				
<i>Trade and Other Payables</i>				
No creditors were disclosed in the financial statements. However, in the main general ledger of SIVB, amounts are maintained to keep track of outstanding balances. Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in future for the goods and services received				
2.Cash				
Cash and cash equivalents comprise cash balances, call deposits, un-acquitted imprest accounts and restricted cash balances. Bank overdrafts that are payable on demand and form an integral part of SIVB's cash management are included as a component of cash and cash equivalents closing balance.				
		31st December 2009	31st December 2008	
	Cash on hand	127,013	1,282	
	Main Cheque Account	842,108	1,663,164	
	Term Deposit	22,246	22,139	
	Special Account	0	0	
	Un-acquitted Imprest	0	0	
	PCDF Account	0	0	
	Total	991,367	1,686,585	
Reconciliation of restricted cash balance as at 31st December 2009				
	Closing cash and cash equivalents	991,367	1,686,585	
	Less: Restricted cash balances			
	Creditors	(7,041)	65,816	
	NPF	3,835	2,916	
	PAYE	139,039	158,743	
	Accrued Expense	2,364	0	
	Basic Rates	2,237	7,663	
	Gratuity	2,969	2,969	
	Deposits	401	0	
		847,563	1,448,478	

Solomon Islands Visitors Bureau					
Reference	Notes to the Financial Statements				
	31st December 2009		31st December 2008		
	Receipts/ (Payments)	Payments to third parties	Receipts/ (Payments)	Payments to third parties	
	\$	\$	\$	\$	
3. Marketing and Promotion					
Co-operative Advertising	(183,920)		(99,118)		
Generic Advertising	(285,602)		(203,101)		
Trade Fairs & Shows	(378,314)		(228,684)		
Brochures	(71,824)		(53,127)		
Posters/Travel Guide & Promotions	(48,530)		(12,412)		
Films & Photographs	(1,785)		(40,305)		
Internet Marketing	(50,171)		(14,595)		
Marketing Communication	(27,244)		(10,361)		
Airport Info Booth Servicing	(2,249)		(4,212)		
Public Relations Activities	(376,737)		(418,698)		
Market Representation	(27,658)		(42,390)		
Media Visitation	(193,453)		(456,409)		
Product Knowledge Update	(27,981)		(900)		
Trade/ Cultural Shows	(4,818)		(5,310)		
Misc.& Contingency	(54,589)		(584)		
Total	(1,734,875)		(1,590,206)		
4. Operation					
Advertising	(52,432)		(24,691)		
Board Members Expenses	(134,294)		(88,296)		
Telephone, Fax and Postage	(69,518)		(102,049)		
Computer Charges	(17,968)		(23,365)		
Printing, Stationary & Office Consumables	(28,361)		(86,616)		
Postage & Delivery	(956)		(123)		
Staff Training	(55,271)		(69,470)		
Electricity & Other Utilities	(115,430)		(119,211)		
Insurance and Legal Fees	0		(6,660)		
Motor Vehicle & Duty travel Expenses	(22,561)		(9,854)		
Repairs & Maintenance	(69,309)		(33,107)		
Licensing & Inspection	(25,426)		(6,298)		
Rent & Rates	(8,280)		(45,821)		
Uniform issues & Maintenance	(43,692)		0		
General Office expenses	(4,671)		(2,517)		
Total	(648,169)		(618,078)		
5. Salary/ Wages & Associated Costs					
Salaries & Wages	(483,432)		(511,964)		
Employer NPF Contribution	(36,399)		(34,738)		
Other	(159,616)		(133,140)		
Total	(679,447)		(679,842)		
6. Auditors Remuneration					
Auditing of Accounts	0		(29,000)		

Solomon Islands Visitors Bureau				
Reference	Notes to the Financial Statements			
	31st December 2009		31st December 2008	
	\$		\$	
7. Other Expenses				
Bank Charges	(6,191)		(7,843)	
8. Depreciation				
Land & Buildings	(101,250)		(101,250)	
Security Fence	(6,502)		(4,971)	
Motor Vehicles	(16,207)		(18,043)	
Furniture & Fixtures	(10,286)		(7,954)	
Plant, Machinery & Equipment	(42,849)		(49,907)	
Staff Club	(828)		(828)	
Total	(177,922)		(182,953)	

9. PROPERTY, PLANT AND EQUIPMENT

	Plant, Machinery & Equipment \$	Land & Buildings \$	Motor Vehicles \$	Furniture & Fixtures \$	Security Fence \$	Staff Club \$	Total \$
Valuation							
Cost							
At 1 st January 2009	470,675	2,025,000	125,502	138,767	130,049	16,553	2,906,546
Additions	53,614	0	0	11,140	0	0	64,754
At 31 st December 2009	524,289	2,025,000	125,502	149,907	130,049	16,553	2,971,300
Amortisation							
Depreciation							
At 1 st January 2009	320,376	345,938	56,283	93,552	16,589	5,450	838,188
Charge for the year	42,849	101,250	16,207	10,286	6,502	828	177,922
At 31 st December 2009	363,225	447,188	72,490	103,838	23,091	6,278	1,016,110
Book Value							
At 1 st January 2009	150,299	1,679,062	69,219	45,215	113,460	11,103	2,068,358
At 31 st December 2009	161,064	1,577,812	53,012	46,069	106,958	10,275	1,955,190

Solomon Islands Visitors Bureau			
Reference	Notes to the Financial Statements		
	31st December 2009		31st December 2008
		\$	\$
	10. Receivables		
	Tourist Levies Receivables	0	636,583
	Trade Debtors	6,222	160,152
	Less: Provision for doubtful debts	0	0
		6,222	796,735
	Other Receivables		
	Salary Advances	23,073	15,575
	Imprest Account	316,752	272,327
	Sub-Committee Advance	75,470	0
	Other Advances	2,025	0
	Prepayments	23,710	9,369
	Deposits Paid	2,364	0
	Inventories	30,785	54,354
		474,179	351,625

11. Aging of Staff advances and Unretired Imprest accounts for 2009 balance

	Total	0-30 days	31-60 days	61-90 days	90+ days
	\$	\$	\$	\$	\$
Staff advances	23,073	10,447	1,002	1,140	10,484
Imprest accounts	316,752	0	14,221	300	302,231

Salary advances by staff are unsecured, interest free and repayable on fortnightly basis.

Unretired imprest fund represent funds advanced to staff when travelling on duty on both domestic and overseas, purposely to meet related accommodation and associated expenses.

	31st December 2009		31st December 2008
		\$	\$
	12. Payables		
	Trade Creditors	(7,041)	65,816
	Other Creditors and accruals		
	Accrued Expenses	2,364	0
	HTC payable	2,237	7,663
	PAYE Tax Payable	139,039	1 58,743
	NPF Contribution Payable	3,835	2,916
	Gratuity Payable	2,969	2,969
	Deposits	401	0
	Total	150,845	172,291



INDEPENDENT AUDITOR'S REPORT

To the Board of the Solomon Islands Visitors Bureau

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of the Solomon Islands Visitors Bureau which comprise the Statement of Cash Receipts and Payments for the year ended 31 December 2009, and a summary of significant accounting policies and other explanatory notes.

Directors and management's responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards under the Cash Basis of Accounting (IPSAS Cash), and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

My audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I have considered the internal controls relevant to the management's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances. My audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Disclaimer of Opinion is attributed to the continued failure in the system of recording and controlling accounting transactions and insufficient audit evidence to support transactions and accounts. I was unable to confirm or verify by alternative means the balances and disclosures with respect to the financial statements.

Opening Balances

A disclaimer of opinion was issued on the 2008 financial statements. I therefore, could not determine the accuracy of the opening balances as at 1 January 2009, and the effect of any misstatements therein on the statement of Cash Receipts and Payments and explanatory notes for the year ended 31 December 2009. As a result, I was unable to determine whether any adjustments might have been necessary to this statement.

Receipts

Receipts totaling \$286,876.05 (11% of total reported receipts) were unable to be verified against sufficient supporting documentations. In addition there were a further 14 receipts totalling \$204,219.85 recorded within the manual receipt books but not recorded within the general ledger. As a result I was unable to verify or confirm by alternative means, the completeness, accuracy and occurrence of the reported receipts balance as disclosed within the financial statements for the financial year ended 31 December 2009, nor the completeness, accuracy or existence of the receivables balance as at balance date.

Payments

Sufficient supporting documentation was unable to be located to verify five payment transactions totaling \$21,575.62 (0.7% of total payments). One invoice totaling \$13,162.01 was identified as being paid but not recorded within the general ledger. Given various breakdown in internal control identified, evidence of poor record keeping needed to be able to substantiate payment transactions and numerous account posting errors identified within the financial statements. I am unable to verify the accuracy, completeness and occurrence of transaction for payments reported for financial year ended 31 December 2009.

Property, Plant and Equipment

No reconciliation had been prepared to reconcile the asset balances against the fixed asset register balances as at 31 December 2009. As a result, I am unable to confirm or verify alternative means, the accuracy, existence, completeness and valuation of the reported assets in Note 9 Property, Plant and Equipment as at 31 December 2009, In addition, I was unable to confirm the accuracy of the associated depreciation expense for the financial year ended.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements of the Solomon Islands Visitors Bureau for the financial year ended 31 December 2009.

Report on Other Legal and Regulatory Requirements

Lack of compliance with the Solomon Islands Visitors Bureau Act 1996

I also draw your attention to the fact that the Solomon Islands Board of Directors has not complied with Section 16 of SIVB Act 1996 in that it submitted its accounts to me more than four Years after end of the financial year ended December 2009.



Mr. Robert Cohen
Acting Auditor-General

Office of the Auditor-General
Honiara, Solomon Islands

8 April 2014