

**SOLOMON ISLANDS
VISITORS BUREAU**

Financial Report

for the year ended

31st December 2014

Solomon Islands Visitors Bureau
Financial Statements for the year ended 31st December 2014

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**Solomon Islands Visitors Bureau
Directors' Report for the year ended 31st December 2014**

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 December 2014.

Director details

The following persons were Directors of Solomon Islands Visitors Bureau during or since the end of the financial year:-

Wilson Ne'e	Chairman
Sanjay Bhargava	Deputy Chairman
Andrew Nihopara	Member
Eric Kituru Gemu	Member
Francis Para	Member
George Satu	Member
Gus Kraus	Member
Johnny Sy	Member
Lonsdale Bako	Member
Moses Tepai	Member

Principal Activities

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

Results and Dividends

The net Surplus/ (deficit) for the year was \$320,791 and 2013 \$1,860,05. No dividends have 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 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 2014; and
- (b) the financial statements have been made out in accordance with the International Public Accounting Standards under the Cash Basis of Accounting (Cash Basis IPSAS).



Chairman



Chief Executive Officer

Date: 12 / 10 / 17

Date: 12 / 10 / 17



INDEPENDENT AUDITOR'S REPORT

To the Board of the Solomon Islands Visitors Bureau

Report on the Statement of Cash Receipts and Payments

I have audited the accompanying statement of cash receipts and payments of Solomon Islands Visitors Bureau, which comprise the statement of cash receipts and payments for the year then ended 31st December 2014, statement of comparison of budget and actual amount for the year ended 31st December 2014 and a summary of significant accounting policies and other explanatory information.

My audit report is confined to those elements of the financial statements that are mandatory reporting requirements under the International Public Sector Accounting Standards under the Cash Basis of Accounting (IPSAS Cash). My report does not consider the fairness or reasonableness of any additional notes or amounts disclosed as non-mandatory notes.

Directors' and Management Responsibility for the Statement of cash receipts and payments

The Directors and management are responsible for the preparation and fair presentation of these statements 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 *Solomon Islands Visitors Bureau Act 1996*, for such internal control as management determines is necessary to enable the preparation of statement of cash receipts and payments that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the statement of cash receipts and payments based on the audit. The audit has been conducted in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial

statements 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the statement of cash receipts and payments of Solomon Islands Visitors Bureau for the year then ended 31st December 2014 present fairly, in all material respects, and its summary of significant accounting policies and other explanatory information in accordance with Cash Basis IPSAS.

Emphasis of Matter

Lack of compliance with the Solomon Islands Visitors Bureau Act 1996

The Solomon Islands Board of Directors has not complied with Section 16 of SIVB Act 1996 which requires the accounts of the Bureau to be audited annually. The Management signed financial statements were not presented to me until 12th October 2017 which is two years and ten months after the SIVB Act requirement.



Peter Lokay
Auditor-General

Office of the Auditor-General
Solomon Islands

19 October 2017

Solomon Islands Visitors Bureau
Statement of Cash Receipts and Payments
for the year ended 31st December 2014

	Notes	31st Dec 2014		31st Dec 2013	
		Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties
		\$	\$	\$	\$
Reference 1.3.4(a)		RECEIPTS			
		Grants and other			
	Government Subvention	500,000		-	
	Other	87,398		60,000	
		587,398		60,000	
		Levies and Licenses			
	Bed Levies	9,812,659		9,169,535	
	Unit Levies	70,150		26,950	
	Licenses	29,450		15,700	
		9,912,259		9,212,185	
		Trading Activities			
	Receipts from trading activities	19,831		13,236	
	Other receipts	11,415		14,049	
	Less: Accrued Revenues			-	
		Total receipts	10,530,903		9,299,470

Reference	Solomon Islands Visitors Bureau				
	Statement of comparison of budget and actual amount				
	for the year ended 31st December 2014				
		Actual Amounts	Final budget	Original Budget	Difference Actual amount and final budget
Receipts					
Grants and other		587,398		500,000	-
Levies and Licenses		9,912,259		14,102,700	-
Trading Activities		19,831		18,000	-
Other receipts		11,415		-	-
Total Receipts		10,530,903		14,620,700	-
PAYMENTS					
Marketing and Promotion		(3,925,429.01)		(7,964,400)	-
Operation		(2,338,364.64)		(2,846,300)	-
Wages, Salaries & Associated Costs (All Employees)		(2,451,978.00)		(2,311,200)	-
Professional fees		(24,717.50)		(35,500)	-
Other Expenses		(50,634.00)		(100,000)	-
Capital Expenditures		(1,177,273)		(793,000)	-
Other Payments-Creditors		(241,716)		-	-
Total Payments		(10,210,112)		(14,050,400)	-
Net Cashflows		320,791		570,300	-

**Solomon Islands Visitors Bureau
Notes to the Financial Statements**

Reference

1.3.4(b) 1. Accounting Policies

1.3.30 Basis of Preparation

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 Reporting Entity

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) Controlling Entity

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 External Assistance

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.

Restricted Cash Balances

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) Reporting Currency

The financial statements are presented in Solomon Islands currency, expressed as Solomon Bokolo Dollars (SBD) (\$)

1.7.2 Foreign Currency Transactions

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 Classifications

Prior year balances have been reclassified to correspond to current year disclosures where considered necessary.

Property and Equipment

Acquisition and valuation

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
Notes to the Financial Statements**

Reference

Depreciation

Depreciation is calculated in note 9 to determine the book value of assets over their estimated useful lives. 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 & Buildings	5%
Equipment	25%
Motor Vehicles	20%
Furniture & Fittings	20%

Trade and Other Receivables

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.

Trade and Other Payables

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 Dec 2014	31st Dec 2013
Cash		
Cash on hand	1,154	1,154
Cheque Accounts	3,471,498	3,184,304
Term Deposit	53,180	23,071
	3,525,832	3,208,529
Reconciliation of restricted cash balance as at 31st December 2014		
Closing cash and cash equivalents	3,525,832	3,208,529
Less: Restricted cash balances		
Creditors	33,698	-
NPF	31,617	38,330
PAYE	116,322	126,787
Accrued Expense	-	-
Basic Rates	-	8,362
Deposits	-	-
Others	3,871	143,284
Cash and cash equivalent available for use	3,340,324	2,891,766

**Solomon Islands Visitors Bureau
Notes to the Financial Statements**

Reference

Notes	31st Dec 2014		31st Dec 2013	
	Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties
	\$	\$	\$	\$
3. Marketing and Promotion				
Advertising	(507,898)		(291,674)	
Trade Fairs & Shows	(897,187)		(550,123)	
Brochures	(10,240)		(33,226)	
Posters/Travel Guide & Promotions	(118,176)		(151,963)	
Films & Photographs	(41,564)		(119,913)	
Internet Marketing	(298,095)		(365,350)	
Marketing Communication	(23,760)		(14,121)	
Airport Info Booth Servicing	(93,600)		(117,000)	
Public Relations Activities	(156,104)		(199,470)	
Market Representation	(169,004)		(55,902)	
Travel Agent/Media Visitation	(728,615)		(585,287)	
Product Knowledge Update	(71,414)		(61,564)	
Trade/ Cultural Shows	(248,680)		(268,252)	
Special Events Marketing	(433,677)		(767,974)	
Marketing Subsidy Assistance/Sponsorship	(80,088)		(263,316)	
Misc. & Contingency	(47,327)		(27,799)	
	(3,925,429)		(3,872,934)	
4. Operation				
Advertising	(47,534)		(30,982)	
Board Members Expenses	(446,803)		(435,822)	
Telephone, Fax and Postage	(321,672)		(278,228)	
Computer Charges	(81,698)		(111,065)	
Printing, Stationary & Office Consumables	(35,615)		(41,772)	
Staff Training	(33,679)		(17,538)	
Electricity & Other Utilities	(263,592)		(195,710)	
Seminar/Workshops	(27,286)		(51,390)	
Motor Vehicle & Duty travel Expenses	(581,648)		(124,735)	
Repairs & Maintenance	(307,159)		(227,251)	
Licensing & Inspection	(18,508)		(29,362)	
Rent & Rates	(8,997)		(8,997)	
Uniform issues & Maintenance	(15,095)		-	
Security Services	(131,208)		(85,712)	
Misc & Contingency	(17,871)		(53,614)	
	(2,338,365)		(1,692,178)	
5. Salary/ Wages & Associated Costs				
Salaries & Wages	(1,751,781)		(1,070,560)	
Employer NPF Contribution	(126,839)		(61,795)	
Other	(573,358)		(283,597)	
	(2,451,978)		(1,415,952)	
6. Professional Fees				
Professional fees	(24,718)		(20,800)	

**Solomon Islands Visitors Bureau
Notes to the Financial Statements**

Reference

		31st Dec 2014		31st Dec 2013	
	Notes	Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties
		\$	\$	\$	\$
7. Other Expenses					
Bank Charges		(5,041)		(4,118)	
Insurance		(45,593)		(30,750)	
		(50,634)		(34,868)	
8. Purchase of property, plant and Equipment					
Plant & Equipment		366,594		244,104	
Land & Building		293,606		-	
Furniture & Fittings		187,073		62,987	
Motor Vehicles		330,000		-	
		1,177,273		307,091	
9. Receivables					
Trade Debtors		192,175		189,318	
Less: Provision for doubtful debts		-		-	
		192,175		189,318	
10. Other Receivables					
Salary Advances		100,461		55,894	
Imprest Account		424,401		718,183	
Sub-Committee Advance		75,470		75,470	
Other Advances		14,677		9,387	
Prepayments		-		2,364	
Inventories		119,634		33,464	
		734,643		894,762	
11. Payables					
Trade Creditors		19,706		-	
Other Creditors and accruals		-		-	
Accrued Expenses		-		-	
HTC Payable		13,992		8,362	
PAYE Tax Payable		116,322		126,787	
NPF Contribution Payable		31,617		38,330	
Deposits		3,871		143,284	
		185,508		316,763	
12. Other Payments					
Transfer of Funds		241,716		(95,591)	

**Solomon Islands Visitors Bureau
Notes to the Financial Statements**

Reference

13. Transactions with related parties

1. During the reporting period, \$107,376 was paid to Honiara Mobile Security Service for provision of Security Service at the SIVB Office & CEO residence. Honiara Mobile Security is a company where (Mrs. Marggie Collin) the Executive Secretary is a Director, and is owned and managed by her husband.
2. A total of \$93,600 was paid to SI Terminal Service for manning airport booth at the international airport. SI Terminal Service is a company where (Mr. Wilson Ne'e) Board Member is a Director.