

Reference	
14.21	<div data-bbox="323 275 849 398"> <p>SOLOMON ISLANDS VISITORS BUREAU</p> </div> <div data-bbox="1023 571 1283 911"> <p>Financial Report for the year ended 31st December 2010</p> </div>

Solomon Islands Visitors Bureau Directors' Report for the year ended 31st December 2010

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 2010 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 \$2,545,476 (2009: (\$695,218)). No dividends have been paid or declared since the end of the previous financial year.

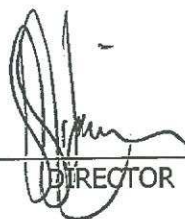
Statement by Directors

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 2010; 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 2010**

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 2010.

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 April 2011
Honiara


By Gideon Zoleveke
PRINCIPAL

Reference	Solomon Islands Visitors Bureau					
1.3.4(a)	Statement of Cash Receipts and Payments					
	For the year ended 31 st December 2010					
			31 st December 2010		31 st December 2009	
		Notes	Receipts/ (Payments) \$	Payments by Third Parties \$	Receipts/ (Payments) \$	Payments by Third Parties \$
	RECEIPTS					
	<i>Grants and other</i>					
	Government Subvention		0		0	
	Other		1,523,953		21,275	
			1,523,953		21,275	
	<i>Levies and Licenses</i>					
	Bed Levies		6,862,994		2,409,874	
	Unit Levies		3,550		34,600	
	Licenses		5,250		23,063	
			6,871,794		2,467,537	
	<i>Trading Activites</i>					
	Receipts from trading activities		32,540		25,469	
	Other receipts		167,510		11,823	
	Less: Accrued Revenues		22,038		0	
	Total receipts		8,617,835		2,526,104	

Reference	Solomon Islands Visitors Bureau					
	Statement of Cash Receipts and Payments					
	For the year ended 31 st December 2010					
	31 st December 2010			31 st December 2009		
		Note	Receipts/ (Payments) \$	Payments by Third Parties \$	Receipts/ (Payments) \$	Payments by Third Parties \$
1.3.13	PAYMENTS					
	Marketing and Promotion	3	(1,740,849)		(1,734,875)	
	Operation	4	(325,366)		(648,169)	
	Wages, Salaries & Associated Costs (All Employees)	5	(823,360)		(679,447)	
	Auditors remuneration	6	0		0	
	Other Expenses	7	(12,794)		(6,191)	
	Total Payments		(2,902,369)		(3,068,682)	
	<i>Capital Expenditures</i>					
	Purchase of Property, Plant and Equipment	9	(384,404)		(64,754)	
	Other Payments-Creditors	13	(2,785,586)		(87,886)	
1.2.12(b)	Total Payments		(6,072,359)		(3,221,322)	
	Increase/(decrease) in cash And cash equivalents		2,545,476		(695,218)	

Reconciliation of Cash Movement

Cash and Cash Equivalents at beginning of year	2	991,367	1,686,585
Increase/(decrease) in cash equivalents		2,545,476	(695,218)
Cash and cash equivalents at end of year	2	3,536,843	991,367

	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 2010, 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 2010		31st December 2009
	Cash on hand	217,698		127,013
	Main Cheque Account	3,296,899		842,108
	Term Deposit	22,246		22,246
	Special Account			0
	Un-acquitted Imprest			0
	PCDF Account			0
	Total	3,536,843		991,367
	Reconciliation of restricted cash balance as at 31st December 2010			
	Closing cash and cash equivalents	3,536,843		991,367
	Less: Restricted cash balances			
	Creditors	(2,422,596)		(7,041)
	NPF	10,874		3,835
	PAYE	119,475		139,039
	Accrued Expense	5,332		2,364
	Basic Rates	7,358		2,237
	Gratuity	0		2,969
	Deposits	401		401
		5,815,999		847,563

Solomon Islands Visitors Bureau					
Reference	Notes to the Financial Statements				
		31st December 2010		31st December 2009	
		Receipts/ (Payments)	Payments to third parties	Receipts/ (Payments)	Payments to third parties
		\$	\$	\$	\$
	3. Marketing and Promotion				
	Co-operative Advertising	0		(183,920)	
	Generic Advertising	0		(285,602)	
	Trade Fairs & Shows	(1,102,655)		(378,314)	
	Brochures	(3,092)		(71,824)	
	Posters/Travel Guide & Promotions	(21,792)		(48,530)	
	Films & Photographs	(118,752)		(1,785)	
	Internet Marketing	(28,800)		(50,171)	
	Marketing Communication	(7,608)		(27,244)	
	Airport Info Booth Servicing	(57,600)		(2,249)	
	Public Relations Activities	(75,008)		(376,737)	
	Market Representation	(9,482)		(27,658)	
	Media Visitation	(130,524)		(193,453)	
	Product Knowledge Update	(4,188)		(27,981)	
	Trade/ Cultural Shows	0		(4,818)	
	Marketing Subsidy Assistance	(37,830)		0	
	Misc. & Contingency	(143,518)		(54,589)	
	Total	(1,740,849)		(1,734,875)	
	4. Operation				
	Advertising	(4,000)		(52,432)	
	Board Members Expenses	(88,701)		(134,294)	
	Telephone, Fax and Postage	(16,863)		(69,518)	
	Computer Charges	(13,330)		(17,968)	
	Printing, Stationary & Office Consumables	(32,243)		(28,361)	
	Postage & Delivery	0		(956)	
	Staff Training	0		(55,271)	
	Electricity & Other Utilities	0		(115,430)	
	Seminar/Workshops	(20,168)		0	
	Motor Vehicle & Duty travel Expenses	(11,787)		(22,561)	
	Repairs & Maintenance	(88,755)		(69,309)	
	Licensing & Inspection	(17,866)		(25,426)	
	Rent & Rates	0		(8,280)	
	Uniform issues & Maintenance	0		(43,692)	
	Misc & Contingency	(31,653)		(4,671)	
	Total	(325,366)		(648,169)	
	5. Salary/ Wages & Associated Costs				
	Salaries & Wages	(627,908)		((483,432)	
	Employer NPF Contribution	(38,837)		(36,399)	
	Other	(156,615)		(159,616)	
	Total	(823,360)		(679,447)	
	6. Auditors Remuneration				
	Auditing of Accounts	0		0	

	Solomon Islands Visitors Bureau				
Reference	Notes to the Financial Statements				
	31 st December 2010		31 st December 2009		
	\$		\$		
	7. Other Expenses				
	Bank Charges	(12,794)		(6,191)	
	8. Depreciation				
	Land & Buildings	(101,250)		(101,250)	
	Security Fence	(6,502)		(6,502)	
	Motor Vehicles	(14,739)		(16,207)	
	Furniture & Fixtures	(9,462)		(10,286)	
	Plant, Machinery & Equipment	(65,833)		(42,849)	
	Staff Club	(828)		(828)	
	Total	(198,614)		(177,922)	

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 2010	524,289	2,025,000	125,502	149,907	130,049	16,553	2,971,300
Additions	380,227	0	0	4,177	0	0	384,404
At 31 st December 2010	904,516	2,025,000	125,502	154,084	130,049	16,553	3,355,704
Amortisation							
Depreciation							
At 1 st January 2010	363,225	447,188	72,490	103,838	23,091	6,278	1,016,110
Charge for the year	65,833	101,250	14,739	9,462	6,502	828	198,614
At 31 st December 2010	429,058	548,438	87,229	113,300	29,593	7,106	1,214,724
Book Value							
At 1 st January 2010	161,064	1,577,81	53,012	46,069	106,958	10,275	1,955,190
At 31 st December 2010	475,458	1,476,562	38,273	40,784	100,456	9,447	2,140,980

Solomon Islands Visitors Bureau				
Reference	Notes to the Financial Statements			
		31st December 2010		31st December 2009
		\$		\$
	10.Receivables			
	Trade Debtors	35,983		6,222
	Less: Provision for doubtful debts	0		0
		35,983		6,222
	Other Receivables			
	Salary Advances	26,060		23,073
	Imprest Account	646,631		316,752
	Sub-Committee Advance	75,470		75,470
	Other Advances	2,025		2,025
	Prepayments	23,710		23,710
	Deposits Paid	2,364		2,364
	Inventories	30,785		30,785
		807,045		474,179

11. Aging of Staff advances and Unretired Imprest accounts for 2010 balance

	Total	0-30 days	31-60 days	61-90 days	90+ days
	\$	\$	\$	\$	\$
Staff advances	26,060	5,667	4,000	2,456	13,937
Imprest accounts	646,631	0	2,343	0	644,288

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.

Solomon Islands Visitors Bureau			
Reference	Notes to the Financial Statements		
	31 st December 2010		31 st December 2009
	\$		\$
12. Payables			
Trade Creditors	(2,422,596)		(7,041)
Other Creditors and accruals			
Accrued Expenses	5,332		2,364
HTC payable	7,358		2,237
PAYE Tax Payable	119,475		139,039
NPF Contribution Payable	10,874		3,835
Gratuity Payable	0		2,969
Deposits	401		401
Total	143,440		150,845
13. Other Payments	(2,785,586)		(87,886)
SIVB continues to maintain its general ledger utilising the accrual method of accounting. In preparing the financial statements on cash basis method under IPSAS all payments for the year have been adjusted by non-cash payments to properly disclose all payments on cash basis.			



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 2010, 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 2009 financial statements. I therefore, could not determine the accuracy of the opening balances as at 1 January 2010, and the effect of any misstatements therein on the statement of Cash Receipts and Payments and explanatory notes for the year ended 31 December 2010. As a result, I was unable to determine whether any adjustments might have been necessary to this statement.

Receipts

Receipts totalling \$375,700.45 (4% of total reported receipts) were unable to be verified against sufficient supporting documentation. 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 2010, 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 nine payment transactions totalling \$293,559.35 (14 % of total payments). Given the various breakdowns 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 reported payments for the financial year ended 31 December 2010.

Property, Plant and Equipment

No reconciliation had been prepared to reconcile the asset balances against the fixed asset register balances as at 31 December 2010. 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 2010. 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 2010.

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 signed accounts to me more than three Years after end of the financial year ended 31 December 2010.



Mr. Robert Cohen
Acting Auditor-General

Office of the Auditor-General
Honiara, Solomon Islands

9 April 2014