

**SOLOMON ISLANDS  
VISITORS BUREAU**

**Financial Report**  
for the year ended

**31st December 2012**

**Solomon Islands Visitors Bureau**  
**Financial Statements for the year ended 31<sup>st</sup> December 2012**

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## **Solomon Islands Visitors Bureau Directors' Report for the year ended 31<sup>st</sup> December 2012**

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 31<sup>st</sup> December 2012.

### **Principal Activities**

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

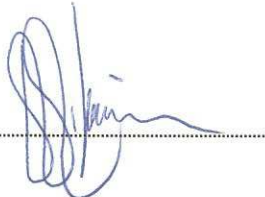
### **Results and Dividends**

The net Surplus/ (deficit) for the year was (\$1,448,791) (2011: Deficit (\$743,397)). 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 31<sup>st</sup> December 2012; 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).



Chairman

17 July 2015



Director



## 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 2012, 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.

#### *Responsibility for the Statement of cash receipts and payments*

The Directors and management are responsible for the preparation and fair presentation of these 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 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 my audit. I conducted my audit 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 Island Visitors Bureau for the year then ended 31<sup>st</sup> December 2012 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*

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 two Years after end of the financial year ended 31 December 2012.



Mr. Robert Cohen  
Acting Auditor-General

Office of the Auditor-General  
Honiara, Solomon Islands

18 August 2015



Reference 1.3.4(a)	<b>Solomon Islands Visitors Bureau</b>				
	<b>Statement of Cash Receipts and Payments</b>				
	<b>for the year ended 31st December 2012</b>				
		<b>31st Dec 2012</b>		<b>31st Dec 2011</b>	
	Notes	Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties
		\$	\$	\$	\$
	<b>RECEIPTS</b>				
	<b>Grants and other</b>				
	Government Subvention	-		-	
	Other	-		66,942	
		-		<b>66,942</b>	
	<b>Levies and Licenses</b>				
	Bed Levies	8,380,122		7,218,411	
	Unit Levies	27,600		2,560	
	Licenses	22,150		5,050	
		<b>8,429,872</b>		<b>7,226,021</b>	
	<b>Trading Activities</b>				
	Receipts from trading activities	22,945		25,381	
	Other receipts	10,314		35,104	
	Less: Accrued Revenues	-		(80,761)	
	<b>Total receipts</b>	<b>8,463,131</b>		<b>7,272,687</b>	

Reference	Solomon Islands Visitors Bureau					
	Statement of Cash Receipts and Payments					
	for the year ended 31st December 2012					
			31st Dec 2012		31st Dec 2011	
	Notes	Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties	
		\$	\$	\$	\$	
1.3.13	<b>PAYMENTS</b>					
	Marketing and Promotion	3 (5,693,359)		(3,291,556)		
	Operation	4 (1,809,422)		(2,250,232)		
	Wages, Salaries & Associated Costs (All Employees)	5 (1,147,584)		(1,054,637)		
	Professional fees	6 (59,700)		-		
	Other Expenses	7 (41,180)		(14,707)		
		<b>(8,751,245)</b>		<b>(6,611,132)</b>		
	Capital Expenditures					
	Purchase of Property, Plant and Equipment	8 (1,030,179)		(1,195,459)		
	Other Payments-Creditors	12 (130,498)		(209,493)		
1.2.12(b)	<b>Total Payments</b>	<b>(9,911,922)</b>		<b>(8,016,084)</b>		
	Increase/(decrease) in cash And cash equivalents	(1,448,791)		(743,397)		
<b>Reconciliation of Cash Movement</b>						
	Cash and Cash Equivalents at beginning of year	2 2,793,446		3,536,843		
	Increase/(decrease) in cash equivalents	(1,448,791)		(743,397)		
	Adjustment	330				
	Cash and cash equivalents at end of year	2 1,344,985		2,793,446		

Reference	Solomon Islands Visitors Bureau				
	Statement of comparison of budget and actual amount				
	for the year ended 31st December 2012				
		Actual Amounts	Final budget	Original budge	Difference: Actual amount and final budget
	<b>Receipts</b>				
	Grants and other	-	-		
	Levies and Licenses	8,429,872	11,455,050		(3,025,178)
	Trading Activites	22,945	26,000		(3,055)
	Other receipts	10,314	-		10,314
	<b>Total Receipts</b>	<b>8,463,131</b>	<b>11,481,050</b>		<b>(3,017,919)</b>
	<b>PAYMENTS</b>				
	Marketing and Promotion	(5,693,359)	(7,223,700)		1,530,341
	Operation	(1,809,422)	(1,971,000)		161,578
	Wages, Salaries & Associated Costs (All Employees)	(1,147,584)	(1,435,100)		287,516
	Professional fees	(59,700)	(100,000)		40,300
	Other Expenses	(41,180)	(100,000)		58,820
	Capital Expenditures	(1,030,179)	(932,000)		(98,179)
	Other Payments-Creditors	(130,498)	(312,000)		181,502
	<b>Total Payments</b>	<b>(9,911,922)</b>	<b>(12,073,800)</b>		<b>2,161,878</b>
	<b>Net Cashflows</b>	<b>(1,448,791)</b>	<b>(592,750)</b>		<b>(856,041)</b>



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

Reference	
1.3.4(b)	<b>1. Accounting Policies</b>
1.3.30	<p><b>Basis of Preparation</b></p> <p>The financial statements have been prepared in accordance with the International Public Sector Accounting Standards under The Cash Basis of Accounting (Cash Basis IPSAS).</p> <p>The Accounting policies have been applied consistently throughout the period.</p>
1.4.7	<p><b>Reporting Entity</b></p> <p>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).</p> <p>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.</p>
1.4.7(d)	<p><b>Controlling Entity</b></p> <p>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.</p>
1.10.8	<p><b>External Assistance</b></p> <p>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.</p>
	<p><b>Restricted Cash Balances</b></p> <p>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.</p>
1.4.23(d)	<p><b>Reporting Currency</b></p> <p>The financial statements are presented in Solomon Islands currency, expressed as Solomon Bokolo Dollars (SBD) (\$)</p>
1.7.2	<p><b>Foreign Currency Transactions</b></p> <p>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.</p>
1.4.16	<p><b>Classifications</b></p> <p>Prior year balances have been reclassified to correspond to current year disclosures where considered necessary.</p>



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

*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.

*Depreciation*

Depreciation is calculated 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.

	<b>31st Dec 2012</b>	<b>31st Dec 2011</b>
<b>Cash</b>		<b>Restated</b>
Cash on hand	96,075	548,090
Main Cheque Account	1,225,928	2,223,110
Term Deposit	22,952	22,246
Vist Solomon Campaign	30	-
	<b>1,344,985</b>	<b>2,793,446</b>
<b>Reconciliation of restricted cash balance as at 31st December 2012</b>		
<b>Closing cash and cash equivalents</b>	1,344,985	2,793,446
<b>Less: Restricted cash balances</b>		
Creditors	-	-
NPF	29,862	20,266
PAYE	115,045	120,035
Accrued Expense		5,332
Basic Rates	5,047	7,962
Deposits	-	401
Others	15,233	-
<b>Cash and cash equivalent available for use</b>	<b>1,179,798</b>	<b>2,639,450</b>



Reference	Solomon Islands Visitors Bureau Notes to the Financial Statements				
	Notes	31st Dec 2012		31st Dec 2011	
		Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties
<b>3. Marketing and Promotion</b>		\$	\$	\$	\$
Advertising		(570,125)		(651,496)	
Trade Fairs & Shows		(2,106,159)		(499,368)	
Brochures		(278,851)		(102,696)	
Posters/Travel Guide & Promotions		(238,380)		(97,471)	
Films & Photographs		(196,735)		(151,939)	
Internet Marketing		(553,661)		(17,642)	
Marketing Communication		(9,213)		(32,908)	
Airport Info Booth Servicing		(77,400)		(86,400)	
Public Relations Activities		(122,610)		(716,322)	
Market Representation		(370,051)		(101,402)	
Travel Agent/Media Visitation		(178,507)		(69,265)	
Product Knowledge Update		(36,242)		(124,497)	
Trade/ Cultural Shows		(748,980)		(24,756)	
Marketing Subsidy Assistance/Sponsorship		(117,531)		(374,224)	
Misc.& Contingency		(88,914)		(241,170)	
		<b>(5,693,359)</b>		<b>(3,291,556)</b>	
<b>4. Operation</b>					
Advertising		(25,066)		(46,311)	
Board Members Expenses		(470,770)		(519,598)	
Telephone, Fax and Postage		(141,915)		(103,641)	
Computer Charges		(140,026)		(23,825)	
Printing, Stationary & Office Consumables		(42,860)		(43,637)	
Staff Training		(45,449)		(58,042)	
Electricity & Other Utilities		(199,889)		(121,961)	
Seminar/Workshops		(48,945)		(755,495)	
Motor Vehicle & Duty travel Expenses		(93,537)		(40,115)	
Repairs & Maintenance		(340,176)		(408,629)	
Licensing & Inspection		(127,319)		(71,653)	
Rent & Rates		(8,699)		(6,618)	
Uniform issues & Maintenance		(46,589)		(13,557)	
Security Services		(70,504)		-	
Misc & Contingency		(7,678)		(37,150)	
		<b>(1,809,422)</b>		<b>(2,250,232)</b>	
<b>5. Salary/ Wages &amp; Associated Costs</b>					
Salaries & Wages		(793,420)		(693,620)	
Employer NPF Contribution		(57,681)		(47,532)	
Other		(296,483)		(313,485)	
		<b>(1,147,584)</b>		<b>(1,054,637)</b>	
<b>6. Professional Fees</b>					
Accounting fee		(59,700)		-	



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

		<b>31st Dec 2012</b>		<b>31st Dec 2011</b>	
	Notes	Receipts/ (Payments)	Payments by Third Parties	Receipts/ (Payments)	Payments by Third Parties
		\$	\$	\$	\$
<b>7. Other Expenses</b>				<b>Restated</b>	
Bank Charges		(9,059)		(4,707)	
Insurance		(32,121)		(10,000)	
		<b>(41,180)</b>		<b>(14,707)</b>	

<b>8. Purchase of property, plant and Equipment</b>					
Plant & Equipment		193,541		214,728	
Land & Building		633,668		700,313	
Furniture & Fittings		202,970		25,388	
Motor Vehicles		-		255,030	
		<b>1,030,179</b>		<b>1,195,459</b>	
<b>9. Receivables</b>					
Trade Debtors		-		96,560.00	
Less: Provision for doubtful debts		-		-	
		-		<b>96,560.00</b>	
<b>10. Other Receivables</b>					
Salary Advances		61,419		32,817	
Imprest Account		719,158		735,475	
Sub-Committee Advance		75,470		75,470	
Other Advances		2,025		2,025	
Prepayments		-		23,710	
Deposits Paid		-		2,364	
Inventories		42,988		1,146	
		<b>901,060</b>		<b>873,007</b>	
<b>11. Payables</b>					
Trade Creditors		-		-	
Other Creditors and accruals		-			
Accrued Expenses		-		5,332	
HTC Payable		5,047		7,962	
PAYE Tax Payable		115,045		120,035	
NPF Contribution Payable		29,862		20,266	
Deposits		15,233			
		<b>165,187</b>		<b>153,595</b>	
<b>12. Other Payments</b>		<b>(130,498)</b>		<b>(209,493)</b>	

**13. Correction of prior period error**

During the preparation of the financial statements for the year ended 31 December 2012, the management became aware that the 2011 financial statements reported incorrect trade creditor with debit balance of (\$2,529,218). The balance represent payments already made to creditors in 2011 however, the error stemmed from the incorrect adjustment of the trade creditors account during the conversion from IFRS accrual basis to IPSAS cash basis accounting. The error has been corrected by restating the trade creditors for the FY2011, and the error does not affect the 2012 financial statements.



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

Reference **14. Property, plant & equipment**

Reconciliation of the opening and closing balances of property, plant and equipment

	<b>Plant &amp; Equipment</b>	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Furniture Fittings</b>	<b>Security Fence</b>	<b>Staff Club</b>	<b>Total</b>
Valuation							
Cost	<b>1,119,244</b>	<b>2,725,313</b>	<b>336,207</b>	<b>179,472</b>	<b>130,049</b>	<b>16,553</b>	<b>4,506,838</b>
1/01/2012							
Additions	193,541	633,668		202,970			1,030,179
Revaluation	11,435	3,764,787		(45,503)	19,951		3,750,670
Disposal	3,000			58,832		16,553	78,385
Adjustment	(193,541)						(193,541)
31/12/2012	<b>1,321,220</b>	<b>7,123,768</b>	<b>336,207</b>	<b>278,107</b>	<b>150,000</b>	<b>-</b>	<b>9,015,761</b>
Amortisation							
Depreciation							
1/01/2012	<b>499,959</b>	<b>649,688</b>	<b>88,800</b>	<b>122,282</b>	<b>36,095</b>	<b>7,934</b>	<b>1,404,758</b>
Charge for the year	160,818	236,475	49,481	42,173	7,500	-	496,447
Disposal	(108,205)	(649,688)		(54,465)	(36,095)	(7,934)	(856,387)
Adjustment		(2,004)		(34,494)			(36,498)
31/12/2012	<b>552,572</b>	<b>234,471</b>	<b>138,281</b>	<b>75,496</b>	<b>7,500</b>	<b>-</b>	<b>1,008,320</b>
Book Value							
<b>1/01/2012</b>	<b>619,285</b>	<b>2,075,625</b>	<b>247,407</b>	<b>57,190</b>	<b>93,954</b>	<b>8,619</b>	<b>3,102,080</b>
<b>31/12/2012</b>	<b>768,648</b>	<b>6,889,297</b>	<b>197,926</b>	<b>202,611</b>	<b>142,500</b>	<b>-</b>	<b>8,007,441</b>