



Independent Auditor's Report to the Second Solomon Islands Roads and Aviation Project

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of the Second Solomon Islands Roads and Aviation (SIRAP) IDA Credit No. 71100, IDA Credit No. 77150, IDA Grant No. E0340, IDA Credit No. **77140 and IDA Grant No. E4160** ("the Project") which comprise the Statement of Cash Receipts and Payments and Statement of Comparison of Budgets and Actuals for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies.

The accompanying financial statements have been prepared in accordance with the following Financing Agreement (the Agreement) dated 19 June 2022 between the Solomon Islands Government (the Recipient) and International Development Association (World Bank).

In my opinion except for the effects on the matters referred to in the Basis for qualified opinion section of my report:

- a. the accompanying financial statements for the year ended 31 December 2025, present fairly, in all material respects, the grants and credits received, and payments incurred in accordance with the accounting policy specified in note 2a and b to the accounts.
- b. the payments have, in all material respects, been used in accordance with the conditions of the Agreements, and only for the purposes for which they were provided, and adequate documentation exists to support the payments incurred as detailed in the Statement of Cash Receipts and Payments.

Basis for qualified opinion

Non-compliance with Solomon Islands Government procurement guidelines

The Project failed to adhere to the requirements outlined in the Public Financial Management Act 2013 and the Public Financial Management (Procurement) Regulations 2021 in relation to its procurement processes. As a result, contracts amounting to SBD 79.921 million, exceeding the SBD 500,000 threshold were not submitted for Central Tender Board (CTB) approval. Out of these contracts, two international contracts with terms exceeding 12 months amounting to SBD 24.497 million lack evidence of local registration and business licenses.

The Public Financial Management Act 2013, Section 73, requires all accountable and accounting officers to ensure that procurement activities are conducted in accordance with the Public Financial Management (Procurement) Regulations 2021. In particular, all contracts with a value exceeding SBD 500,000 must be submitted to the Central Tender Board (CTB) for approval.

The Public Finance Management (Procurement) Regulation 2021, Schedule 8, section 5(4), requires international tenderers being considered for contracts exceeding 12 months to comply with Solomon Islands registration and business licensing requirements as a precondition to signing the contract. In contrast, these requirements do not apply to international tenderers bidding for or being awarded contracts of less than 12 months. Therefore, any contract awarded to an international tenderer for a

term exceeding 12 months must be supported by local registration and a valid business license before contract execution.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of my report.

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

Independence

I am independent of the Project in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics, and the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Emphasis of Matter – Basis of Accounting and Restriction on Use

I draw attention to Note 2.1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Project to meet the requirements of the World Bank. As such, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the information included in the Report of the Implementing Agency, but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis and the agreement, and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management are responsible for assessing the project's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the management's use of the going basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may exist cast significant doubt on the Second SIRAP's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Second SIRAP to cease as going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.

Report on Other Legal and regulatory requirements

I have obtained all the information and explanations which, to the best of my knowledge and belief, are necessary for the purposes of my audit.

In my opinion:

- i) proper books of account have been kept by the Project, sufficient to enable financial statements to be prepared, so far as it appears from my examination of those books; and
- ii) except for the effects of the matter referred to in the *Basis for qualified opinion* section of my report, to the best of my knowledge and based on the information and explanations

provided to us, the financial statements have been prepared in accordance with the requirements of the Finance Agreement.

- iii) except for the effects of the matter referred to in the *Basis for qualified opinion* section of my report, the project did comply with procurement guidelines as required by the Agreement and Project Operations Manual;
- iv) The project did not comply with the requirements of the Agreement and the Project Operations Manual which requires the audited financial statements to be submitted to the World Bank no later than six months after the year end to which the financial statements relate. The signed statements were presented to me on 24 August 2026.



David Teika Dennis
Auditor General
24 August 2026

Office of the Auditor-General
Honiara, Solomon Islands

**P176548: SECOND SOLOMON ISLANDS ROADS AND AVIATION
PROJECT AND SECOND SOLOMON ISLANDS ROADS AND AVIATION
PROJECT ADDITIONAL FINANCE**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2025

**SECOND SOLOMON ISLANDS ROADS AND AVIATION PROJECT AND ADDITIONAL FINANCE
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025**

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**SECOND SOLOMON ISLANDS ROADS AND AVIATION PROJECT AND ADDITIONAL FINANCE
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025**

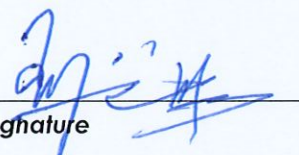
REPORT OF THE IMPLEMENTING AGENCY

Under the terms of our contract, We have the mandate from the World Bank and the Ministry of Finance and Treasury as implementing agency, to supervise and manage the funds provided for Second Solomon Islands Roads and Aviation Project (SIRAP 2) and Second Solomon Islands Roads and Aviation Project Additional Finance (SIRAP2 AF) funded by the International Development Association (IDA) of WORLD BANK for IDA Credit No. 71100 ,IDA Grant No.E0340, IDA Credit No.77150, IDA Credit No.77140 and IDA Grant No.E4160.

We certify that the attached Statement of Cash Receipts and Payments and Statement of Comparative Budget and Actual which have been prepared under our supervision presents a true and fair view of the cash receipts and payments and comparative budget and actual of SIRAP2 and SIRAP2 AF for the period ended 31 December 2025

Date at Honiara this ²⁴... day of August 2026


Signature


Signature

PD
Alwyn Danitofea
Permanent Secretary
Ministry of Communications and Aviation
Honiara, Solomon Islands.

Mike Qaqara
Acting Permanent Secretary
Ministry of Infrastructure Development
Honiara, Solomon Islands.

**SECOND SOLOMON ISLANDS ROADS AND AVIATION PROJECT AND ADDITIONAL
FINANCE STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED
31st DECEMBER 2025**

	Notes	31 DECEMBER 2025 Receipts/ (Payments) Controlled by the SIRAP2 \$	31 DECEMBER 2024 Receipts/ (Payments) Controlled by the SIRAP2 Restated \$
RECEIPTS			
IDA Grant No. E0340	4.1	4,295,162	8,869,773
IDA Credit No. 71100	4.2	33,683,358	12,490,777
IDA CREDIT No.77150	4.3	6,000,000	-
Total Receipts		43,978,520	21,360,550
PAYMENTS			
Programme Activities Expenditure			
Component 1: Climate Resilience and Safety Investments in the Aviation Sector	4.4	14,475,920	16,139,846
Component 2: Climate Resilience and Safety Investments in the Road Sector	4.5	9,323,459	-
Component 3: Project Management	4.6	23,144,780	13,743,331
Component 4: Contingent Emergency Response	4.7	-	-
AF Component 1: Climate Resilience and Safety Investments in the Aviation Sector	4.8	2,975,150	-
AF Component 2: Climate Resilience and Safety Investments in the Road Sector	4.9	-	-
AF Component 3: Institutional Strengthening & Project Management	4.10	3,160,909	-
Total Payments		53,080,218	29,883,177
Increase/(Decrease) In Cash		(9,101,698)	(8,522,627)
Cash at Beginning of Year		26,696,141	35,218,768
Cash at End of Year	6	17,594,447	26,696,141

**SECOND SOLOMON ISLANDS ROADS and AVIATION PROJECT and ADDITIONAL FINANCE
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 31st DECEMBER 2025**

Expressed in Solomon Islands Dollars					
	Actual Amounts	Cumulative to 2025 Actual	Original Budget	Difference Original Budget and Cumulative Actual	Original Budget (USD)
	\$	\$	\$	\$	\$
CASH INFLOWS					
IDA Grant No. E0340	53,578,046	123,013,764	545,887,097	422,873,333	67,690,000
IDA Credit No. 71100	226,583,409	544,059,191	173,548,387	(370,510,804)	21,520,000
IDA Credit No. 77150	11,635,678	11,635,678	96,726,960	85,091,281	11,230,000
IDA Credit No. 77140	-	-	180,189,492	180,189,492	20,920,000
IDA Grant No. E4160	-	-	164,082,687	164,082,687	19,050,000
Total Receipts	291,797,133	678,708,633	1,160,434,623	481,725,990	140,410,000
CASH OUTFLOW					
Component 1: Climate Resilience and Safety Investments in the Aviation Sector	141,160,203	413,373,400	519,596,774	106,223,374	64,430,000
Component 2: Climate Resilience and Safety Investments in the Road Sector	116,832,574	184,784,668	116,935,484	(67,849,184)	14,500,000
Component 3: Project Management	31,134,318	51,210,060	82,903,226	31,693,166	10,280,000
Component 4: Contingent Emergency Response	-	-	-	-	-
SIRAP2AF - Component 1: Climate Resilience and Safety Investments in the Aviation Sector	2,975,150	2,975,150	173,643,411	170,668,261	20,160,000
SIRAP2AF - Component 2: Climate Resilience and Safety Investments in the Road Sector	-	-	172,695,952	172,695,952	20,050,000
SIRAP2AF - Component 3: Institutional Strengthening & Project Management	8,796,587	8,796,587	94,659,776	85,863,189	10,990,000
Total Payments	300,898,831	661,139,864	1,160,434,623	499,294,759	140,410,000
NET CASH FLOW	(9,101,698)	17,568,769	-	(17,568,769)	-

SECOND SOLOMON ISLANDS ROADS and AVIATION PROJECT and ADDITIONAL FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st DECEMBER 2025

1. GENERAL INFORMATION

"The Government of Solomon Islands, through the implementing agencies: (1) the Ministry of Communication and Aviation (MCA) and (2) the Ministry of Infrastructure Development (MID), has received grant and credit assistance from the International Development Association (IDA) of the World Bank.

The objective of SIRAP2 and SIRAP2 AF is to improve the climate resilience of the road and aviation sectors and, in the event of an Eligible Crisis or Emergency, to provide an immediate response to such crisis or emergency.

SIRAP2 is financed by IDA with a total of XDR 64.54 million (approximately USD 89.2 million), comprising XDR 48.97 million in credit and XDR 15.57 million in grant. SIRAP2 AF is financed by IDA with USD 32.15 million in credit and XDR 14.70 million (approximately USD 19.05 million) in grant

The Project comprises of the following components

Component	Activity Description	Implementing Entity	Cost Estimate (US \$)	Cost Estimate (SBD \$)
Component 1	Climate Resilience and Safety Investments in the Aviation Sector	MCA	64,430,000	519,596,774
Component 2	Climate Resilience and Safety Investments in the Road Sector	MID	14,500,000	116,935,484
Component 3	Institutional Strengthening and Project Management	MCA, MID	10,280,000	82,903,226
Component 4	Contingent Emergency Response	MCA, MID	-	-
AF Component 1	Climate Resilience and Safety Investments in the Aviation Sector	MCA	20,160,000	173,643,411
AF Component 2	Climate Resilience and Safety Investments in the Road Sector	MID	20,050,000	172,695,952
AF Component 3	Institutional Strengthening and Project Management	MCA, MID	10,990,000	94,659,776
Total			140,410,000	1,160,434,623

SIRAP2 and SIRAP2 AF are implemented under the overall guidance, coordination, and monitoring of the Project Steering Committee, with support from the in-country Project Support Team (PST) and the remotely based Implementation Support Team (IST)

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of Preparation

The Statement of Cash Receipts and Payments is prepared in accordance with International Public Sector Accounting Standards. Financial reporting under the Cash Basis of Accounting (Cash Basis IPSAS)

2.2 Reporting Entity

The Financial Statements are for the Second Solomon Islands Roads and Aviation Project (SIRAP2) and SIRAP2 AF.

2.3 Reporting Currency

All figures are presented in Solomon Islands Dollar (SBD) unless otherwise stated. Foreign currency payments are recorded at the exchange rate at the date of payment.

2.4 Budget

SIRAP2 and SIRAP2 AF Budget are prepared inclusive of third party payments.

2.5 Payments

All payments are related to the SIRAP2 and SIRAP2 AF activities as stated in the Financing Agreement. The payments were approved by the Permanent Secretary for MCA and MID and were made in accordance with the Program Operational Manual (POM). Funds have been expended in accordance with their intended purposes.

3. FINANCIAL PERIOD

This Financial Statement is for the period Starting from 01 January 2025 to 31 December 2025.

4 CASH RECEIPTS AND PAYMENTS

Three columns are presented on the Statement of receipts and payments. The first column presents receipts and payments for the financial year ended 31 December 2025. The second column presents receipts and payments for financial year ended 31 December 2024 for comparative purpose.

SECOND SOLOMON ISLANDS ROADS and AVIATION PROJECT and ADDITIONAL FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st DECEMBER 2025

RECEIPTS

4.1 IDA Grant No. E0340

Cash receipt from WB Grant account. Cash receipt transferred to SIRAP bank account though CBSI Pooled DA account.

Borrower Reference	Beneficiary Name	Ccy	2025
SIRAP2 G019	SIG - WORLD BANK PROJECT POOLED DA	SBD	627,085
SIRAP2 G020	SIG - WORLD BANK PROJECT POOLED DA	SBD	849,476
SIRAP2 G025	SIG - WORLD BANK PROJECT POOLED DA	SBD	819,516
SIRAP2 G026	SIG - WORLD BANK PROJECT POOLED DA	SBD	945,240
SIRAP2 G027	SIG - WORLD BANK PROJECT POOLED DA	SBD	625,297
SIRAP2 G033	SIG - WORLD BANK PROJECT POOLED DA	SBD	428,548
Total			4,295,162

4.2 IDA Credit No. 71100

Cash receipt from WB Credit account. Cash receipt transferred to SIRAP bank account though CBSI Pooled DA account.

Borrower Reference	Ccy	2025
SIRAP2 C020	SBD	969,199
SIRAP2 C029	SBD	5,419,289
SIRAP2 C033	SBD	4,838,000
SIRAP2 C035	SBD	836,054
SIRAP2 C048	SBD	20,816,582
SIRAP2 C051	SBD	804,234
Total		33,683,358

4.3 IDA Credit No.77150

Cash receipt from WB Credit account. Cash receipt transferred to SIRAP bank account though CBSI Pooled DA account.

Borrower Reference	Ccy	2025
SIRAP2 AF - C03	SBD	6,000,000

PAYMENTS

4.4 Component 1: Climate Resilience and Safety Investments in the Aviation Sector

Cash Payment from SIRAP2 Operating Account relating to payments on Aviation Sector.

4.5 Component 2: Climate Resilience and Safety Investments in the Road Sector

Cash payment from SIRAP2 Operating Account relating to Road Infrastructure Sector

4.6 Component 3: Project Management

Cash Payments from SIRAP2 Operating Account on project management and operation.

4.7 Component 4: Contingent Emergency Response

The contingent emergency response component (CERC) is a contingent financing mechanism available to gain rapid access to financing to respond to a crisis or emergency. It is to provide immediate rehabilitation or reconstruction needs.

4.8 AF Component 1: Climate Resilience and Safety Investments in the Aviation Sector

Cash Payment from SIRAP2 Operating Account relating to payments on Aviation Sector.

4.9 AF Component 2: Climate Resilience and Safety Investments in the Road Sector

Cash payment from SIRAP2 Operating Account relating to Road Infrastructure Sector

4.10 AF Component 3: Institutional Strengthening & Project Management

Cash Payments from SIRAP2 Operating Account on institutional strengthening and project management and operation.

SECOND SOLOMON ISLANDS ROADS and AVIATION PROJECT and ADDITIONAL FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st DECEMBER 2025

5 GRANT PROCEEDS FROM THE WORLD BANK

Credits and Grants are received from the World Bank to the Central Bank Solomon Islands (CBSI) and then transferred to the Designated Account (DA). Application from SIRAP through the Ministry of Finance and Treasury (MOFT) for approval and transfer of proceeds from CBSI to DA.

Credit/ Grant No.	Borrower Reference	Beneficiary Name	Ccy	Advance	Direct Payment
IDA E0340	SIRAP2 G019	SIG - WORLD BANK PROJECT POOLED DA	SBD	627,085	
	SIRAP2 G020	SIG - WORLD BANK PROJECT POOLED DA	SBD	849,476	
	SIRAP2 G024	EGIS ASIA COMPANY LIMITED	SBD		2,010,791
	SIRAP2 G025	SIG - WORLD BANK PROJECT POOLED DA	SBD	819,516	
	SIRAP2 G026	SIG - WORLD BANK PROJECT POOLED DA	SBD	945,240	
	SIRAP2 G027	SIG - WORLD BANK PROJECT POOLED DA	SBD	625,297	
	SIRAP2 G029	RAF-OJAKH LLC	SBD		2,620,462
	SIRAP2 G030	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		8,829,937
	SIRAP2 G033	SIG - WORLD BANK PROJECT POOLED DA	SBD	428,548	
	SIRAP2 G034	EGIS ASIA COMPANY LIMITED	SBD		2,967,409
	SIRAP2 G035	EGIS ASIA COMPANY LIMITED	SBD		3,011,338
	SIRAP2 G039	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		10,828,982
	SIRAP2 G040	CHINA HARBOUR ENGINEERING COMPANY LTD	SBD		13,361,683
	SIRAP2 G041	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		5,652,280
				4,295,162	49,282,883
IDA 71100	SIRAP2 C020	SIG - WORLD BANK PROJECT POOLED DA	SBD	969,199	
	SIRAP2 C029	SIG - WORLD BANK PROJECT POOLED DA	SBD	5,419,289	
	SIRAP2 C033	SIG - WORLD BANK PROJECT POOLED DA	SBD	4,838,000	
	SIRAP2 C035	SIG - WORLD BANK PROJECT POOLED DA	SBD	836,054	
	SIRAP2 C036	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	SBD		15,613,272
	SIRAP2 C038	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		13,765,274
	SIRAP2 C039	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		27,358,259
	SIRAP2 C040	CHINA HARBOUR ENGINEERING COMPANY LTD	SBD		16,108,300
	SIRAP2 C042	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	SBD		14,488,669
	SIRAP2 C044	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	SBD		7,947,208
	SIRAP2 C047	CHINA HARBOUR ENGINEERING COMPANY LTD	SBD		13,580,336
	SIRAP2 C048	SIG - WORLD BANK PROJECT POOLED DA	SBD	20,816,582	
	SIRAP2 C049	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		9,919,847
	SIRAP2 C051	SIG - WORLD BANK PROJECT POOLED DA	SBD	804,234	
	SIRAP2 C052	CHINA HARBOUR ENGINEERING COMPANY LTD	SBD		8,897,339
	SIRAP2 C054	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		13,931,763
	SIRAP2 C055	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	SBD		3,374,738
	SIRAP2 C056	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	SBD		4,177,885
	SIRAP2 C058	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		17,222,772
	SIRAP2 C059	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	SBD		19,546,463
	SIRAP2 C060	CHINA HARBOUR ENGINEERING COMPANY LTD	SBD		6,967,926
				33,683,358	192,900,051
IDA 77150	SIRAP2 AF - C01	EGIS ASIA COMPANY LIMITED	SBD		2,779,239
	SIRAP2 AF - C03	SIG - WORLD BANK PROJECT POOLED DA	SBD	6,000,000	
	SIRAP2 AF - C05	EGIS ASIA COMPANY LIMITED	SBD		2,856,440
				6,000,000	5,635,678
Total Grant/ Credit Proceeds				43,978,520	247,818,613

5.1 Balance still at the CBSI bank account as of 31 December 2025.

Grant No.	Borrower Reference	Beneficiary Name	Ccy	Advance	Direct Payment
IDA E0340			SBD		
Total				-	-
IDA 71100					
	SIRAP2 C037	SOLOMON ISLANDS ROADS AND AVIATION	SBD	1,882,304	
Total				1,882,304	-
Total Credits/Grants proceed from World Bank for year ended 31 December 2025			SBD	45,860,824	247,818,613

SECOND SOLOMON ISLANDS ROADS and AVIATION PROJECT and ADDITIONAL FINANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st DECEMBER 2025

6.a Cash and Cash Equivalent	2025	2024
IDA Designated Account No. 020091781123016	17,557,492	17,937,458
IDA Designated Account No. 020091781123027	36,955	8,725,075
	17,594,447	26,662,533
6.b Reconciliation of restricted cash balances to cash and cash equivalents available for use		
Closing cash and cash equivalent	17,594,447	26,662,533
Less Restricted Cash		
SINPF Payable - EC (7.5%)	-	(13,810)
SINPF Payable - MC (5%)	-	(9,207)
Withholding Tax Payable	-	(1,704,202)
PAYE Payable	-	(243,307)
Basic Rates Payables	-	(5,186)
	-	(1,975,712)
Cash Available for use	17,594,447	24,686,821
6.c Reconciliation to total cash and cash equivalent		
Cash at the beginning of the year	26,696,141	35,218,768
Increase/(decrease in cash and cash equivalent)	(9,101,698)	(8,522,627)
Less Accounts Receivables		
Unacquitted cash advances - Cash advance is a funds use by the PST for logistics, meetings etc. while on project site conducting project oversight or to carryout project business.		33,608
Closing Cash and Cash Equivalent	17,594,443	26,662,533

We have restated the cash and cash equivalent balances in 2023 and related payments entries in the statement of cash receipts and payments to reflect improve the presentation of restricted cash balances and better align with the requirements of IPSAS Cash Basis. The effect of this has been to move the restricted cash payments into the year in which they were paid, rather than incurred.

6.1 Central Reserve Bank of Solomon Islands		
SIRAP2 advances and documentations were still in the CBSI at year ended, these were later transferred to the Designated Account in January 2026.	1,882,304	3,958,740

7. FACILITY AVAILABLE

IDA Credit and Grant in historical figures including available balances as at 31 December 2025.

	Signed Amount	Disbursed	Remaining Balance
IDA Credit No. 71100	XDR 48,970,000	XDR 48,796,278	XDR 173,722
IDA Grant No. E0340	XDR 15,570,000	XDR 13,652,226	XDR 1,917,774
IDA Credit No. 77150	USD 11,230,000	USD 1,425,898	USD 9,804,102
IDA Credit No. 77140	USD 20,920,000	USD 0	USD 20,920,000
IDA Grant No. E4160	XDR 14,700,000	XDR 0	XDR 14,700,000
IDA Credit No. 71100	SBD 545,887,097	SBD 544,059,191	SBD 1,942,141
IDA Grant No. E0340	SBD 173,548,387	SBD 123,013,764	SBD 21,439,936
IDA Credit No. 77150	SBD 96,726,960	SBD 11,635,678	SBD 80,033,488
IDA Credit No. 77140	SBD 180,189,492	SBD 0	SBD 0
IDA Grant No. E4160	SBD 164,082,687	SBD 0	SBD 0
Net foreign exchange impact (Note 7.4)			(34,038,246)

7.1 Signing amount:

The SBD signed amounts were the signed amounts in their respective commitment currencies, converted to SBD on the project effective date.

7.2 Disbursed amount: The SBD amount disbursed is based on the USD and SBD rates on the date of transaction line in note 2.3

7.3 Remaining balance: The SBD remaining balance is determined based on the commitment current remaining balance converted at 31 December 2025

7.4 Net foreign exchange impact: The foreign exchange impact across the life of the project shows the difference between the remaining balance converted from XDR as at 31 December 2025 and the remaining balance using SBD signed and disbursed amounts.

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8. PAYMENTS BY THIRD PARTIES

The Third Party payments refer to as the "World Bank (WB)". Direct Payments (Payments) and 'replenishment' (Receipt) that were made during the financial period by the third party at the request of the project (SIRAP2).

Expressed in Solomon Islands Dollars

		USD	Exchange Rate	SBD
RECEIPTS				
IDA GRANT NO. E0340				
SIRAP2 G024	EGIS ASIA COMPANY LIMITED	237,273	0.1180	2,010,791
SIRAP2 G029	RAF-OJAKH LLC	317,600	0.1212	2,620,462
SIRAP2 G030	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,032,869	0.1170	8,829,937
SIRAP2 G034	EGIS ASIA COMPANY LIMITED	347,187	0.1170	2,967,409
SIRAP2 G035	EGIS ASIA COMPANY LIMITED	370,093	0.1229	3,011,338
SIRAP2 G039	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,312,473	0.1212	10,828,982
SIRAP2 G040	CHINA HARBOUR ENGINEERING COMPANY LTD	1,659,521	0.1242	13,361,683
SIRAP2 G041	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	700,883	0.1240	5,652,280
		5,977,899		49,282,883
IDA CREDIT NO. 71100				
SIRAP2 C036	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	1,842,366	0.1180	15,613,272
SIRAP2 C038	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,671,104	0.1214	13,765,274
SIRAP2 C039	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	3,315,821	0.1212	27,358,259
SIRAP2 C040	CHINA HARBOUR ENGINEERING COMPANY LTD	1,887,893	0.1172	16,108,300
SIRAP2 C042	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	1,698,072	0.1172	14,488,669
SIRAP2 C044	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	960,817	0.1209	7,947,208
SIRAP2 C047	CHINA HARBOUR ENGINEERING COMPANY LTD	1,648,653	0.1214	13,580,336
SIRAP2 C049	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,210,221	0.1220	9,919,847
SIRAP2 C052	CHINA HARBOUR ENGINEERING COMPANY LTD	1,092,593	0.1228	8,897,339
SIRAP2 C054	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,692,709	0.1215	13,931,763
SIRAP2 C055	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	414,755	0.1229	3,374,738
SIRAP2 C056	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	511,373	0.1224	4,177,885
SIRAP2 C058	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	2,087,400	0.1212	17,222,772
SIRAP2 C059	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	2,398,351	0.1227	19,546,463
SIRAP2 C060	CHINA HARBOUR ENGINEERING COMPANY LTD	854,965	0.1227	6,967,926
		23,287,094		192,900,051
IDA CREDIT NO. 77150-ADDITIONAL FINANCE				
SIRAP2 AF - C01	EGIS ASIA COMPANY LIMITED	350,485	0.1261	2,779,239
SIRAP2 AF - C05	EGIS ASIA COMPANY LIMITED	341,013	0.1194	2,856,440
		691,498		5,635,678
Total Receipts		29,956,490		247,818,613
PAYMENTS				
Programme Activities Expenditure				
SIRAP2 Component 1: Climate Resilience and Safety Investments in the Aviation Sector				
SIRAP2 G029	RAF-OJAKH LLC	317,600	0.1212	2,620,462
SIRAP2 G040	CHINA HARBOUR ENGINEERING COMPANY LTD	1,659,521	0.1242	13,361,683
SIRAP2 C036	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	1,842,366	0.1180	15,613,272
SIRAP2 C040	CHINA HARBOUR ENGINEERING COMPANY LTD	1,887,893	0.1172	16,108,300
SIRAP2 C042	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	1,698,072	0.1172	14,488,669
SIRAP2 C044	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	960,817	0.1209	7,947,208
SIRAP2 C047	CHINA HARBOUR ENGINEERING COMPANY LTD	1,648,653	0.1214	13,580,336
SIRAP2 C052	CHINA HARBOUR ENGINEERING COMPANY LTD	1,092,593	0.1228	8,897,339
SIRAP2 C055	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	414,755	0.1229	3,374,738
SIRAP2 C056	CHINA RAILWAY CONSTRUCTION ENGINEER GROUP	511,373	0.1224	4,177,885
SIRAP2 C059	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	2,398,351	0.1227	19,546,463
SIRAP2 C060	CHINA HARBOUR ENGINEERING COMPANY LTD	854,965	0.1227	6,967,926
		15,286,959		126,684,282
SIRAP2 Component 2: Climate Resilience and Safety Investments in the Road Sector				
SIRAP2 G030	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,032,869	0.1170	8,829,937
SIRAP2 G039	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,312,473	0.1212	10,828,982
SIRAP2 G041	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	700,883	0.1240	5,652,280
SIRAP2 C038	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,671,104	0.1214	13,765,274
SIRAP2 C039	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	3,315,821	0.1212	27,358,259
SIRAP2 C049	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,210,221	0.1220	9,919,847
SIRAP2 C054	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	1,692,709	0.1215	13,931,763
SIRAP2 C058	CHINA CIVIL ENGINEERING CONSTRUCTION COMPANY	2,087,400	0.1212	17,222,772
		13,023,480		107,509,114

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		USD	Exchange Rate	SBD
SIRAP2 Component 3: Institutional Strengthening Project Management				
SIRAP2 G024	EGIS ASIA COMPANY LIMITED	237,273	0.1180	2,010,791
SIRAP2 G034	EGIS ASIA COMPANY LIMITED	347,187	0.1170	2,967,409
SIRAP2 G035	EGIS ASIA COMPANY LIMITED	370,093	0.1229	3,011,338
		954,554		7,989,538
SIRAP2 Component 4: Contingent Emergency Response				
		-		-
SIRAP2AF - Component 1: Climate Resilience and Safety Investments in the Aviation Sector				
		-		-
SIRAP2AF - Component 2: Climate Resilience and Safety Investments in the Road Sector				
		-		-
SIRAP2AF - Component 3: Institutional Strengthening & Project Management				
SIRAP2 AF - C01	EGIS ASIA COMPANY LIMITED	350,485	0.1261	2,779,239
SIRAP2 AF - C05	EGIS ASIA COMPANY LIMITED	341,013	0.1194	2,856,440
		691,498		5,635,678
Total Payments		29,956,490		247,818,613

9 EXPLANATION OF THE DIFFERENCES BETWEEN ACTUAL AND BUDGET

Actual Amount

Figures listed under this columns reflect the total actual fund disbursed from SIRAP2 and SIRAP2 AF designated BRED BANK accounts and third party payments for the period ended 31st December 2025.

Budget

Figures listed as budget reflect the total estimated available funds from SIRAP2 IDAs, IDA Grant E0340 and IDA Credit 71100 and SIRAP2 AF IDAs, IDA Credit 77150, IDA Credit 77140 and IDA Grant E4160 converted to SBD on the effective dates.

Difference of Actual & Budget:

The difference of actual and budget is that actual reflects funds that have been disbursed under the respective components, while the budget amount reflects the available funds in SBD for remaining project activities.

Cumulative Balance

The cumulative balance of receipts and payments, reflects the total funds received and expended from the project's inception up to 31 December 2025. These includes disbursements from the operating accounts and third party payments.

10 SUBSEQUENT EVENTS

Subsequent to 31 December 2025, SIRAP2 and SIRAP2 AF has continued to fund existing contracts and has awarded new contracts totalling SBD 5,994,446.64 million.