

Pacific Power Association



2017 | Annual Report and Audited Financial Accounts





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Mission

Assess to sustainable and quality electricity services for the people of the Pacific Islands Region.

Vision

To support the Pacific Islands Country and Territory (PICT) power utilities in the provision of high quality, secure, efficient and sustainable electricity services.



Executive Director's Message

The year in review, 2017, had been a busier year by far for the Pacific Power Association.

There has been only one change in the composition of the PPA Board of Directors where Scott Coles who had been Alternate Allied Members' Chairman was formally elected as the Allied Members' Chairman at the 27th Annual Conference.

The PPA's Active and Allied membership remained unchanged this year with some increase in the Affiliate Membership; an indication of development partners and regional organizations wanting to work with the PPA. The Allied Membership dropped by one this year whilst the Affiliate Membership increased by five and the Active Membership remained the same. This had resulted the Membership increase from 162 as at 1 January 2017 to 167 at the close of 2017.

The activities funded under the Sustainable Energy Industry Development Project (SEIDP) have begun in earnest with training workshops and other project activities. Whilst the beneficiaries of this grant are World Bank country members, the PPA Secretariat continues to solicit funds and explore opportunities to collaborate with other organizations that work in the energy sector to benefit its non-World Bank members.

The project consultants; the Electrical Engineer and Procurement Advisor completed their first 12 months of their consultancy contracts and was subsequently renewed for another 12 months.

The Association successfully held its 26th Annual Conference and Trade Exhibition in Apia, Samoa, from 31 July to 4 August 2017, hosted by the Electric Power Corporation of Samoa. The conference attendance exceeded all conferences for delegates and exhibitors to date.

This 26th annual conference attracted a total of 308 delegates with 89 representing 21 Utility members, 152 from the 83 Allied Members, 21 spouses and 46 delegates from development partners, government representatives and regional and multilateral aid agencies.

For the first time, the PPA in an effort to make the

annual conference more interactive organized plenary sessions and discussion panels with participation from the utilities, utility Board Directors, Government officials and development partners.

The 2017 Annual Conference was also the first time that a number of Pacific Island Government Ministers and Officials responsible for Energy and Infrastructure have been invited to attend the PPA Conference. The PPA acknowledges the support of the Asian Development Bank (ADB) and New Zealand Ministry of Foreign Affairs and Trade (NZMFAT) for their support in making it possible for the Cook Islands Minister of Finance, Kiribati Minister of Public Works, Tuvalu's Deputy Permanent Secretary of Public Works and the Tonga minister of Public Enterprise to attend the conference.

As in they have done in the past, the contribution of the Allied Members continue to be important in supporting the Association through their subscriptions, sponsorship during the conferences and advertising in the PPA publications.

Looking ahead, 2018 is be more eventful as the activities under SEIDP are fully implemented; especially the renewable energy resource mapping, capacity building, renewable energy and energy efficiency guidelines, gender action plan, renewable energy integration studies and disaster risk reduction and management.

The beneficiaries will need to stay committed to the project through fully participating in the activities to get the benefits from the project activities.

In closing, the PPA Secretariat on behalf of the Board appreciates and acknowledges the continuing support of all the Members, development partners, PICT Governments and CROP agencies who have assisted the Association through the year, 2017.

We look forward to the continued support in ensuring future success.

Andrew Daka
Executive Director, Pacific Power Association

1. PPA Board And Governance

1.1 Board Membership

There was only one change in the composition of the Pacific Power Association Board in the 2017 Fiscal Year with Mr. Scott Coles being appointed the Chairman of the Allied Members. This followed the former Chairman of the Allied Member, Mr. Jesse Toves's resignation from Pernix. The Board of Directors of the Association as at 31st December 2017:

Chief Executive	Utility
Utu Abe Malae	American Samoa Power Authority, American Samoa.
Mr. Mark Waite	Chuuk Public Utilities Corporation, Chuuk, FSM.
Mr. Gary Camacho	Commonwealth Utilities Corporation, Saipan, CNMI.
Tologata Galumalemana Lupematasila Tagaloatele Tile	Electric Power Corporation, Samoa.
Mr. Gregoire de Chillaz	Electricite de Tahiti, Tahiti, French Polynesia.
Mr. Philippe Mehrenberger	Electricite et Eau de Caledonie, New Caledonia.
Mr. David Eyssartier	Electricite et Eau de Wallis et Futuna, Iles Wallis.
Mr. Jean-Michel Deveza	Enercal, New Caledonia.
Mr. Hasmukh Patel	Fiji Electricity Authority, Republic of Fiji
Mr. John M. Benavente	Guam Power Authority, Guam.
Mr. Fred Skilling	Kosrae Utility Authority, Kosrae, FSM.
Mr. Romeo Alfred	Kwajalein Atoll Joint Utility Resources, Republic of Marshall Islands.
Mr. Jack Chong Gum	Marshall's Energy Company, Republic of Marshall Islands.
Mr. Abraham Simpson	Nauru Utilities Corporation, Republic of Nauru
Mr. Warren Halatau	Niue Power Corporation, Niue
Mr. Alex Oa	PNG Power Limited, Papua New Guinea.
Mr. Nixon Anson	Pohnpei Utilities Corporation, Pohnpei, FSM.
Mr. Wayne Brearley	Public Utilities Board, Republic of Kiribati.
Mr. Kione J. Isechal, P.E	Public Utilities Corporation, Republic of Palau.
Mr. Pradip Verma	Solomon Islands Electricity Authority, Solomon Islands.
Mr. Apii Timoti	Te Aponga Uira O Tumu-Te-Varovaro, Cook Islands.
Mr. Robert Matthews	Tonga Power Limited
Mr. Mafalu Lotolua	Tuvalu Electricity Corporation, Tuvalu.
Mr. David Lefevre	Unelco Vanuatu Limited, Vanuatu.
Mr. Faustino Yangmog	Yap State Public Service Corporation, Yap FSM.
Mr. Scott Coles	Chairman, Allied Members
Mr. Andrew D. Daka	Executive Director



Pacific Power Association

"Serving the Power Industry in the Pacific Islands"

1.2 Executive Committee

With Mr. Scott Cole's appointment as Allied Members' Chairman, the Executive Committee membership as at 31st December 2017:

Position	Incumbent	Organization	Term
Chairman	Mr. Kione J. Isechal	PPUC, Palau	2015-2018
Secretary	Mr. Mark Waite	CPUC, Chuuk State, FSM	2017-2020
Treasurer	Tologata Galumalemana Lupematasila Tagaloatele Tile	EPC, Samoa	2015-2018
Chairman, Allied Members	Mr. Scott Coles	International Utility Poles	2017-2020
Executive Director	Mr. Andrew Daka	PPA Secretariat	2017-2020

The Alternate members of the Executive Committee as at 31st December 2017:

Position	Incumbent	Organization	Term
Alternate Chairman	Mr. Hasumukh Patel	FEA, Fiji Islands	2015-2018
Alternate Secretary	Mr. Apii Timoti	TAU, Cook Islands	2017-2020
Alternate Treasurer	Mr. Abraham Simpson	NUC, Nauru	2015-2018
Alternate Chairman, Allied Members	Mr. Trevor Lord	AVO NZ Ltd	2017-2020

1.3 Board /AGM/ Executive Meetings

The following Pacific Power Association governing council related meetings were held in 2017 during the 26th Annual Conference:

Meeting	Venue	Date
Executive Committee Meeting 2017	Apia, Samoa	30 July 2017
Allied Members Meeting 2017	Apia, Samoa	31 July 2017
Board Meeting 2017	Apia, Samoa	1 August 2017
Annual General Meeting 2017	Apia, Samoa	4 August 2017

2. PPA Secretariat

2.1 Secretariat Staffing

The staffing level of the Secretariat remained unchanged as at 31st December 2017 as shown below. This included two consultants engaged under the World Bank funded SEIDP.

1	Andrew D. Daka	Executive Director
2	Gordon J. Chang	Deputy Executive Director
3	Reena Suliana	Administrative Officer
4	Judy Yuen	Accountant

5	Philip Silatolu	Administrative Assistant
6	Wairarapa J. Young	Project Implementation Officer, SEIDP Project Consultant
7	Krishnan Nair	Electrical Engineer, SEIDP Project Consultant

2.2 Office Accommodation & Assets

The PPA Secretariat has been granted another further 3 years lease which expires on the 1st of May, 2020. PPA owned fixed assets as valued by the auditors is FJ\$104,302.

2.3 Meetings and Conferences

The Executive Director and members of the PPA Secretariat staff attended the following meetings, forums, workshops and conferences during 2017. The events attended ranged from energy fora, meeting of regional organizations and governments, development partners, training workshops and the Annual PPA Conference.

Meeting / Conference Attended	Funded By	Dates	Participants
7 th Session of IRENA Assembly, Abu Dhabi, UAE	PPA	14 – 15 January	Executive Director
Pacific Resilience Partners Meeting, PIFS Headquarters		6- 8 February	Executive Director
42 nd CROP Heads Meeting in Honiara, Solomon Islands	PPA	12 – 13 February	Executive Director, Deputy Executive Director
ADB Business Opportunities Fair in Manila, Philippines	PPA	22 – 24 March	Executive Director
Grid Connected Renewable Energies Workshop, Nadi, Fiji	SEIDP	27 – 31 March	Executive Director, Deputy Executive Director
CARILEC CEO's and Finance Conference, St Lucia	PPA	16 – 19 May	Executive Director
ADB Asia Clean Energy Forum, Manila, Philippines	ADB	5 – 9 June	Executive Director
Grid Connected Renewable Energies Workshop , Guam	SEIDP/ USDOl	12 – 16 June	Executive Director
VERGE Hawaii – Asia Pacific Clean Energy Summit, Hawaii	PPA	20 – 22 June	Executive Director
DigSILENT Power Systems Modeling Workshop, Suva	SEIDP	10 – 13 July	Executive Director, Deputy Executive Director, PPA Project Staff
Green Climate Fund Regional Dialogue, Nuku'alofa, Tonga	PPA	17 – 21 July	Executive Director
26 th PPA Annual Conference held in Apia, Samoa	PPA/SEIDP	22 July – 5 August	Executive Director, Deputy Executive Director, Administrative Officer, PPA Project Consultants



Public Utilities Research Centre (PURC) Advanced International Practices Program Benchmarking Infrastructure Operations, Florida	SEIDP	7 – 10 August	Executive Director
CIGRE Australia, Remote Area Power Supply (RAPS), Sydney, Australia	PPA	15 – 16 August	Executive Director
48 th Pacific Islands Leaders Forum Meeting, Apia, Samoa	PPA	4 – 8 September	Executive Director
Alliance of Small Island States Ministerial Meeting, Maldives	AOSIS	10 – 11 October	Executive Director
Pre-Conference visit in Palau	PPA	23 – 27 October	Executive Director, Deputy Executive Director
Power Systems Modelling Training Workshop, Nadi, Fiji Islands	SEIDP	30 October – 3 November	Executive Director, PPA Project Consultants
Pacific Islands Forum Leaders Audience with the Holy See – Rome	PPA	11 November	Executive Director
IPS Connect Workshop – Rottnest Island, Western Australia	SEIDP	13 – 17 November	Executive Director
Bank Mission – PPA Secretariat		20 – 21 November	Executive Director, Deputy Executive Director
8 th Meeting of the Pacific Energy Advisory Group – Suva, Fiji		11 – 15 December	Deputy Executive Director

3. Training And Workshops

The following training workshops have been facilitated for the PPA Member Utilities which are beneficiaries under the projects. However, non-beneficiary utilities have also taken advantage of the availability of these training to send their staff to attend as well either through self-funding or with the support of the PPA Secretariat soliciting funds from other development partners.

Workshops Facilitated	Funded By	Dates	No. of Participants
Grid Connected Renewable Energies Workshop, Nadi – Fiji Islands	SEIDP/IRENA	27 – 31 March	22
Grid Connected Renewable Energies Workshop , Guam	SEIDP/USDOL/GSEP	12 – 16 June	18
DigSILENT Power Systems Modeling Workshop, Suva	SEIDP	10 – 13 July	23
Benchmarking and Variable Renewable Energy Integration	PPA/USDOL	31 July – 1 August	17
Power Systems Modelling Training Workshop, Nadi, Fiji Islands	SEIDP	30 October – 3 November	19
IPS Connect Workshop – Rottnest Island, Western Australia	SEIDP/IRENA/GSEP	13 – 17 November	7

4. PPA Member Services

PPA continues to strive to provide an appropriate range of services to its members. In addition to its focus on training, PPA is exploring other opportunities and services for the members. It continues to strengthen its position with regional organizations, development partners and donor countries as the authoritative source of information relating to the electricity supply sector within the region.

PPA holds a unique position as a provider of services to electric utilities. It has continued to build on this opportunity and strength and is further developing these areas since joining the Council of Regional Organizations in the Pacific in September 2007. In addition PPA is now a core member of the Pacific Energy Oversight Group of the CROP Organizations.

4.1 Specialist Services to the Secretariat

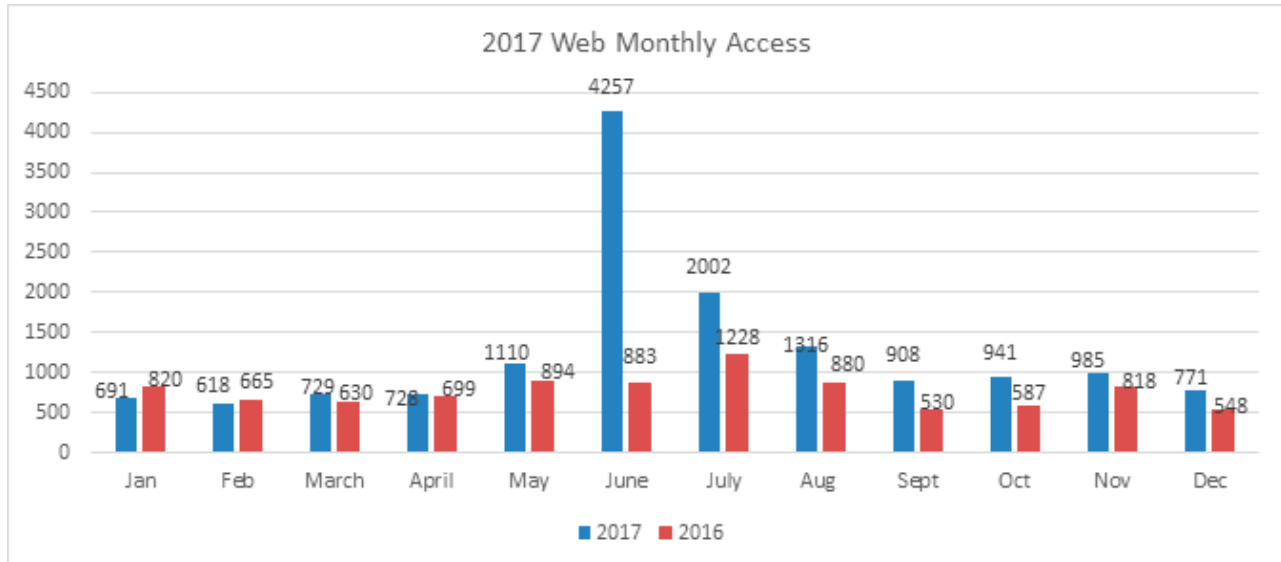
A number of consultancies and other specialist services were sought by the Secretariat during the year. Below is a list of the consultancy services engaged during 2017:

Company / Individual	Services rendered
Dr. Herb Wade	Moderator for the Board Members' Workshop during the 26 th Annual PPA Conference in Apia, Samoa.
Sun Insurance	Insurance of PPA office vehicle
New India Assurance	Insurance of PPA Fixed Assets and employees from January – September 2017
AON Insurance	Insurance of PPA Fixed Assets and employees effective from 14 Sept 2017-13 Sept 2018
BSP Life	ED insurance effective from April 2017 – April 2018
Vodafone Fiji Limited	Vodafone Calls, Voice and data Contract
Digicel	Calls, Voice and data Contract till Nov 2017
Sherani & Company	Providing legal certification for audit and other PPA legal issues.
KPMG Chartered Accountants	Audit of PPA 2016 Annual Accounts.
VT Solutions Technology Ltd	Computer Network Support
Kidanet	Internet Service Provider

4.2 PPA Website

The PPA website was redesigned and completed by Webmedia with the funding provided by World Bank in July 2017. The number of visitors to our website has increased from 9,182 in 2016 to 15,056 in 2017 as shown in the graph below.

The website is now a focal point for all our members for the provision of a range of information on utility issues. The new website when on line is of the view to improving the service to our members and assist networking among members.



4.3 26th Annual PPA Conference

A total of 308 delegates representing 21 utilities, 83 companies and 49 affiliates registered to attend the conference held in Apia, Samoa.

The 2017 Annual PPA Conference & Trade Exhibition was hosted by Electric Power Corporation (EPC) from July 31 – August 4, 2017. It was the second time EPC had hosted the PPA Conference.

PPA was privileged to have the Prime Minister of Samoa, Honorable Tuilaepa Dr. Sailele Malielegaoi, officially open the PPA Conference with Meg Taylor, DBE, Secretary General of the Pacific Islands Forum Secretariat delivering the keynote address. In addition, there were presentations by Japan International Corporation Agent (JICA), South Pacific Community (SPC), The University of the South Pacific (USP), Global Sustainable Energy Project (GSEP), The Kansai Power, and Government of Samoa and EPC. There were 59 trade exhibition booths manned by various Allied Members during the conference where members got the chance to see and learn about new technologies available in the market. In addition there were technical presentations presented to the members for their benefit on the new equipment and new technologies that are available.



26th Annual PPA Conference and Trade Exhibition 2017, Apia, Samoa



26th PPA Annual Conference & Trade Exhibition Official Opening, Apia, Samoa



26th PPA Annual Conference & Trade Exhibition Official Opening, Apia, Samoa

4.4 Pacific Power Magazine

In 2017 PPA published following magazines: -

- Volume 25 No. 1 – issued March 2017
- Volume 25 No. 2 – issued June 2017
- Volume 25 No. 3 – issued September 2017
- Volume 25 No. 4 – issued December 2017

The Secretariat wishes to express our appreciation for the advertising support, the articles and other contributions from Members towards the magazines produced during the year and looks forward to their continued support in 2018.

4.5 Other PPA Brochures & Publications

The Secretariat produced the following publications during 2017: -

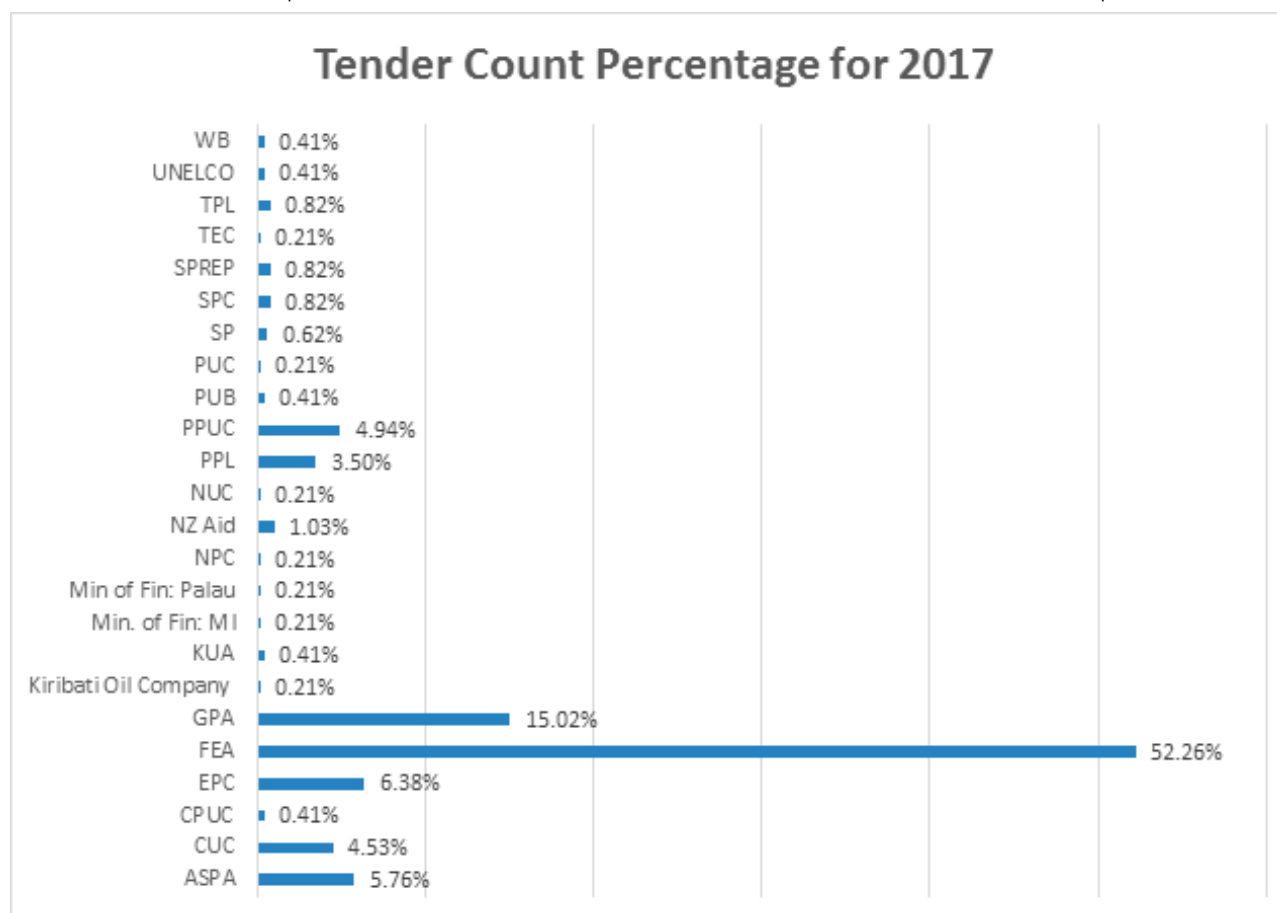
- 2018 PPA Calendar
- 2018 PPA Members Directory

4.6 Tender & Quotations

The Secretariat provided information through the website to the Allied Members as and when tenders, EOI and requests for quotations for goods and services required by utilities are received during 2017.



The chart below provides detailed information on the sources of the tenders and other procurements.



Total number of Tenders and Quotations: 486
 Percentage based on: 100%

5. Membership Report

The total membership of the Pacific Power Association as at 31 December 2017 was 167 comprising 25 Active Members, 118 Allied Members and 24 Affiliate Members. This is a net increase of 5 from the previous year primarily due to the increase in Affiliate membership. The number of Active members remained the same whilst there was a decrease by one in the number of Allied Members.

Member	Membership As at Dec 16	Membership As at Dec 17	Increase (Decrease)
Active	25	25	0
Allied	119	118	(1)
Affiliates	18	24	0
Total	162	167	5

The following changes in membership were been recorded for the year 2017:

Cancelled Active Memberships	-	nil
New Allied Memberships	-	20
Cancelled Allied Memberships	-	23
New Affiliate Members	-	5

Details of New Allied Membership and Cancellation

New Allied Memberships	Cancelled Allied Memberships
America's Best Electric Mart	Aquion Energy, Inc.
AVO NZ Ltd	DTM Timber
EPC International Pty Ltd	Electric Ltd
Generator Rental Services	Enphase Australia Pty Ltd
Indra Australia Pty Ltd	Fulcrum3D Pty Ltd
APR Energy	Hawaii Electric Company
B&R Enclosures Pty Ltd	K.U.T Diesels (Pte) Ltd
Busck Prestressed Concrete Ltd	Louis Berger Power, LLC
Chapman Tripp	Mitsubishi Heavy Industries Ltd
Progetti Plant S.R.L	National Electric Coil
Schweitzer Engineering Laboratories Ltd	NZ & Pacific Solar & Storage Council Inc
Vortex Group Ltd	Octillion Power Systems Australia Pty Ltd
Akuo Energy Pacific	Qinuos
Australian Winders	RPS Switchgear
Clean Energy Technologies	Saft Batteries
ComAp Pty Ltd	Shell International Eastern Trading Company
Gough Cat Power Systems	Solar Energy Partners
IMPS (UK) Ltd	Stellar Projects Ltd
Origin Energy	Sydney Diesel Center
Siemens Ltd	Tracy Consulting Services Pty Ltd
Greenbox Energy Pty Ltd	Tubemakers & Roofmart (SP) Ltd
	UGL NZ Limited



The Active Members Listing as at 31 December 2017:

Active Members	Country
American Samoa Power Authority	American Samoa
Commonwealth Utilities Corporation	Commonwealth of Northern Marianas Islands
Chuck Public Utility Corporation	Federated States of Micronesia
Electric Power Corporation	Samoa
Electricité de Tahiti	French Polynesia
Electricité et Eau de Caledonie	New Caledonia
Electricité et Eau de Wallis et Futuna	Wallis and Futuna
Enercal	New Caledonia
Fiji Electricity Authority	Republic of Fiji Islands
Guam Power Authority	Guam
Kosrae Utilities Authority	Federated States of Micronesia
Kwajalein Atoll Joint Utility Resources	Republic of Marshall Islands
Marshalls Energy Company	Republic of Marshall Islands
Nauru Utilities Authority	Republic of Nauru
Niue Power Corporation	Niue
PNG Power Ltd	Papua New Guinea
Pohnpei Utilities Corporation	Federated States of Micronesia
Public Utilities Board	Republic of Kiribati
Palau Public Utilities Corporation	Republic of Palau
Tonga Power Limited	Kingdom of Tonga
UNELCO Vanuatu Limited	Vanuatu
Solomon Power	Solomon Islands
Te Aponga Uira O Tumu-Te-Varovaro	Cook Islands
Tuvalu Electricity Corporation	Tuvalu
Yap State Public Service Corporation	Federated States of Micronesia

The Allied Members Listing as at 31 December 2017:

Allied Members	Country	Allied Members	Country
AB Industries	New Zealand	Energy Power Systems Australia Pty Ltd	Australia
ABB Australia Pty Ltd	Australia	EPC International Pty Ltd	Australia
ABB Limited	New Zealand	Ergon Energy	Australia
ABCCO Site Machining Inc.	Philippines	ETEL Limited	New Zealand
Acclinks Communications Inc.	P.R.CHINA	Fiji Gas	Fiji
Aco Polycrete Pty Ltd	Australia	FSM Petroleum Corporation	FSM
Agility CIS Limited	New Zealand	GE Global Growth PNG	
Aggreko New Zealand Limited	New Zealand	Gentrack Limited	New Zealand
Akuo Energy Pacific	Australia	Genus Metering	New Zealand
Alfa Laval Australia Pty Ltd	Australia	Generator Rental Services	New Zealand
Alpine Energy Limited	New Zealand	Global Sustainable Energy Solutions	Australia
America's Best Electric Mart	Guam	Global Turbocharge Solutions	United Kingdom
AMP Control	Australia	Gough Cat Power Systems	New Zealand
AMS International Technologies Pty Ltd	Australia	Granite Power Limited	Australia
Andritz Hydro	New Zealand	Greenbox Energy Pty Ltd	Australia
Aquaduct Trading Pty Ltd	Australia	Harelec Services	Australia
APR Energy	USA	Hatz Diesel Australia	Australia
AR Industrial	Australia	Hawker Siddeley Switchgear Pty Ltd	Australia
Arthur D. Riley & Co Ltd	New Zealand	Hawthorne Power Systems	USA
Australian Winders	Australia	Hubbell Power Systems, Inc. (Asia Pacific)	Philippines
AVO NZ Ltd	New Zealand	Hydro Tasmania	Australia
Balance Utility Solutions	Australia	IMPS (UK)	United Kingdom
B&R Enclosures Pty Ltd	Australia	I S Systems	Australia
Busck Prestressed Concrete Ltd	New Zealand	Indra Australia Pty Ltd	Australia
Carpenters Motors T/A Carptrac	Fiji	Infratec	New Zealand
CBS Power Solutions	Fiji	International Utility Poles	Australia
Chapman Tripp	New Zealand	Intracor Trading Co. Ltd	New Zealand
Clean Energy Technologies	USA	IP&E Holdings, LLC	USA
ComAp Ltd	Australia	ITP Renewables	Australia
Cummins South Pacific	Australia	Itron	Australia
Dateline Exports Inc.	USA	Jacobs Group Australia Pty Ltd	Australia
Delstar New Zealand Ltd	New Zealand	Kiribati Oil Company	Kiribati
DNV GL	USA	Komai Haltec Inc.	Japan
Dominion Wire & Cables Ltd	Fiji	Maclean Power	Australia
Eaton Industries Pty Ltd	Australia		
EDMI Pty Ltd	Australia		
Electra Therm	USA		



Pacific Power Association

"Serving the Power Industry in the Pacific Islands"

Allied Members	Country	Allied Members	Country
Man Diesel & Turbo Australia Pty Ltd	Australia	Temes Guam	USA
Manitoba Hydro International	Canada	The Energy Network (Aust) Pty Ltd	Australia
Marinsa International Inc.	Australia	Top Energy NZ Limited	New Zealand
Maskell Productions Ltd	New Zealand	Total Oil Asia Pacific Pte Ltd	Singapore
McMahon Limited	New Zealand	TransDiesel Ltd	New Zealand
MPower Group	New Zealand	Transnet NZ Limited	New Zealand
MTQ Engine Systems (Australia) Pty Ltd	Australia	Vector Ltd	New Zealand
Nan Electrical Cable Australia Pty Ltd	Australia	Vortex Group Ltd	New Zealand
Nexans Olex	New Zealand	Wartsila Australia Pty Ltd	Australia
Northpower Ltd	New Zealand	Winson Oil Trading Pte Ltd	Taiwan
NZ Marine Turbochargers Ltd	New Zealand	XANT NV	Belgium
Oceangas Services Australia Pty Ltd	Switzerland	Yingli Green Energy Australia Pty Ltd	Australia
OHM International Corporation	USA		
Optimal Group Australia Pty Ltd	Australia		
Origin Energy	Australia		
Pacific Bulk Fuel Ltd	New Zealand		
Pacific Energy SWP Ltd	Vanuatu		
Pacific Power Engineering Pty Ltd	Australia		
Par Pacific Holdings, Inc.	USA		
Penske Power Systems	Australia		
Pernix Group, Inc.	USA		
Petroleum & Gas Company Fiji	Fiji		
PLP Electropar NZ Ltd	New Zealand		
Progetti Plant S.R.L	Italy		
RJE Global	Australia		
S&C Electric Company	Australia		
Schweitzer Engineering Laboratories	New Zealand		
Siemens Industry, Inc.	USA		
Siemens Ltd	Australia		
SK B&T	South Korea		
SMA Australia Pty Ltd	Australia		
Tesla	USA		
South Austral Pty Ltd	Australia		
Sulzer Australia Pty Ltd	Australia		
Sunergise International Ltd	Fiji		

The Affiliate Members Listing as at 31 December 2017:

	Affiliate Members (Reciprocal Membership)	Country
1	AESOP Business Volunteers Ltd	Australia
2	American Public Power Association (APPA)	USA
3	CARILEC	St. Lucia
4	Climate Institute	USA
5	CIGRE	Australia
6	Forum For Energy & Development	Denmark
7	US Army Corps of Engineers	USA
8	Pacific Water Wastewater Association (PWWA)	Fiji
9	Secretariat of the Pacific Community (SPC)	Fiji
10	South Pacific Applied Geoscience Commission (SOPAC)	Fiji
11	South Pacific Regional Environment Program (SPREP)	Samoa
12	International Renewable Energy Agency (IRENA)	United Arab Emirates
13	Sustainable Energy Industry Association of the Pacific Islands (SEIAPI)	Fiji/Guam
14	Asian Development Bank (ADB)	Philippines
15	The World Bank (WB)	USA/Australia
16	European Union Fiji Mission (EU)	Fiji
17	New Zealand Ministry of Foreign Affairs and Trade (NZMFAT)	New Zealand
18	International Electrotechnical Commission (IEC)	Switzerland
19	Japan International Cooperation Agency (JICA)	Japan
20	Pacific Regional Infrastructure Facility (PRIF)	Australia
21	Secretariat of the Pacific Regional Environment Program (SPREP)	Samoa
22	The University of the South Pacific (USP)	Fiji
23	Pacific Islands Forum Secretariat (PIFS)	Fiji
24	Pacific Aviation Safety Organization (PASO)	Vanuatu

6. Project Activities

World Bank - Sustainable Energy Industry Development Project

The activities undertaken by the Association by the Association in 2017 related to the Sustainable Energy Industry Development Project (SEIDP) funded by the World Bank. The beneficiaries of this funding are the PPA Active Members from the Pacific Island countries that are members of the World Bank (Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu).

This is a \$5.66 million grant fund which is being implemented by the PPA and has three components; renewable energy (solar and wind) resource mapping,

technical assistance covering a number of activities including capacity building, disaster reduction and gender and thirdly support to the PPA Secretariat.

The project became effective in March 2016 and will close in August 2020.

Overall Project Progress

Following the recruitment of key project personnel, several activities have been implemented and the project is progressing well. However there are also some risks which have been identified which could



delay the implementation of some key activities. Some of the key achievements in 2017 include:

- As part of Phase 1 of Component 1 of the project, solar resource maps for the Pacific have been produced by the World Bank's ESMAP project and these were distributed to the utility CEOs at the PPA conference in Samoa in August.
- A consultant was recruited to carry out the Training Needs Assessment and Career Development initiatives study for PPA World Bank member utilities. The recommendations from this study will be used to formulate the Capacity Building plan for the duration of the project.
- A firm was recruited to carry out the upgrade of the PPA website which will also be used to host several tools to be developed under project such as the online benchmarking portal and the power system modelling tool;
- The first renewable energy training workshops carried out under the project in partnership with the Global Sustainable Energy Programme was held in March 2017 for Southern Pacific utilities and in June 2017 for the Northern Pacific utilities;
- The power system modelling software PowerFactory has been procured and will be made available through a remote online connection to the PPA member utilities. A training workshop for utility staff was held in Nadi, Fiji in October 2017 which was conducted by the software vendor DigSILENT Pacific Ltd.
- The two major activities which account for the majority of the project funding are in the early stages of procurement. Requests for expressions of interest have been issued and it is expected that these contracts will be awarded in the next year barring any unforeseen delays. These two activities are the (1) Solar and Wind Resource Measurement Campaign in the Pacific Islands and (2) Renewable Energy and Energy Efficiency Guidelines, Competency Standards and workshops.
- Capacity building activities for the utilities over this period included the training for PPA staff and utilities on the use of the modelling software PowerFactory, the benchmarking & VRE refresher training at the PPA Annual conference in Apia, Samoa, and the participation of the PPA Executive Director and selected PPA utility members at the Isolated Power Systems Connect conference on Rottnest Island, Australia in November which was funded under the project.

A Technical Advisory Group has been set up to provide guidance and support to the project team with the implementation of the project and its first meeting was held in Nadi, Fiji in March 2017. The TAG consists of CEOs from TEC, EPC and CPUC as well as the PPA Executive Director (Project Coordinator) and the Project Implementation Officer. Prior to the start of the PPA Annual Conference in Samoa in July/August, the Technical Advisory Group held its second meeting to discuss project progress. A representative from the TAG gave a presentation to the CEOs during the opening session of the PPA CEOs conference on the project progress and to garner support for implementation of project activities in each of the selected utilities.



Power Systems Modelling Training, Nadi, Fiji, 2017



Engineers Workshop 2017, Apia, Samoa

Regional Power Benchmarking of PPA Member Utilities

Since 2000 the PPA Secretariat has been providing power utility benchmarking services to its members. This ongoing initiative has allowed the Secretariat to compile a history of utilities performance based on the adaption of a set of internationally recognized performance indicators. Since October 2016 the World Bank through the SEIPD project funded the services of an electrical engineer to provide assistance in vetting of the data, to liaise with utility benchmarking officers on data and put together terms of reference for an online benchmarking platform.

The questionnaire for the collection of the 2016 utility data was sent out to all the utilities in late 2016 with a closing date 30th June 2017. However, as expected, the response to the data request was poor and the Secretariat staff had to put a lot of effort in chasing the utilities to submit the data. At the closing date only ten of the possible twenty five utilities had responded to the call for submission of data.

In June 2017, the PPA Secretariat published the 2015 Fiscal Year benchmarking summary report. The delay in the release of the report is attributed to the late submission of data which continues to be a major challenge despite the number of years the activity has been in place. The report was successfully completed by the continuous efforts put in by all power utility

benchmarking liaison officers and PPA Secretariat staff.

This year again the Secretariat were faced similar challenges: Following are few of this challenges: that incomplete questionnaire were submitted and irregularities in data and in few cases inconsistency in the set of data provided, irregularities and tardiness cause more time to be spent liaison with utility benchmarking officers to retrieve correct data and very late submission of data causing delay in delivery of the final benchmarking report.

Promote use of benchmarking tools in conjunction with other power system planning tools to add value and strengthen decision making.

The 2017FY benchmarking data questionnaire was circulated in October 2017 with a closing date set for 28th March 2018.



Grid Interconnection of Renewable Energies, 27-31 March, 2017 at Nadi, Fiji

An expression of interest (EOI) for the development of an online power benchmarking platform was launched on 25th August 2017 and closed on the 28th September 2017 with a shortlist agreed. The web-based benchmarking platform will provide participating member utilities access to updated benchmarking data and statistics online as when required. The documents for the RFP had been finalized with invitations to the shortlisted entities to be sent out in early 2018.

7. Financial Report

The next section of this Annual Report is the financial report on the status of the Association for the period from 1 January 2017 to 31 December 2017 as audited by the external auditor, KPMG.



Pacific Power Association

"Serving the Power Industry in the Pacific Islands"

Pacific Power Association (Limited by Guarantee)
Financial statements
For the year ended 31 December 2017

Pacific Power Association (Limited by Guarantee)

Executive Committee Members' Report

For the year ended 31 December 2017

In accordance with a resolution of the Executive Committee, the members present their report together with the financial statements of Pacific Power Association (the "Association") for the year ended 31 December 2017 and the auditor's report thereon.

Executive Board

The names of the Executive Committee members of the Association during the year and up to the date of this report are:

Name	Position held:
Mr. Kione J. Isechal	Chairman
Mr. Hasmukh Patel	Alternate Chairman
Mr. Mark Waite	Secretary (Appointed on 01/08/2017)
Utu Abe Malae	Secretary (Completed term on 01/08/2017)
Mr. Apii Timoti	Alternate Secretary (Appointed on 01/08/17)
Tologata Lupematasila Galumemana Tile Le'ia	Treasurer
Mr. Abraham Simpson	Alternate Treasurer
Mr. Scott Coles	Chairman Allied Members (Appointed on 31/07/17)
Mr. Trevor Lord	Alternate Chairman Allied Members (Appointed on 31/07/17)
Mr. Andrew Daka	Executive Director

State of Affairs

There were no significant changes in the statement of affairs of the Association that occurred during the financial year under review not otherwise disclosed in this report or the financial statements. The accompanying statement of financial position gives a true and fair view of the state of affairs of the Association as at 31 December 2017 and the accompanying statements of income and retained earnings and cash flows gives a true and fair view of the results, changes in equity and cash flows for the year then ended.

Results

The Association recorded a surplus of revenue over expenditure of \$310,521 (2016: \$158,983).

Principal Activities

The Association is predominantly involved in enhancing the role of the power sector amongst the Pacific Island countries and territories. The principal activities of the Association is to create an environment of "co-operative partnership" with the private sector, funding institutions and others with interest in the development of the power industry. There were no significant changes in the nature of these activities during the year.

Going Concern

The Executive Committee Members believe that the Association will be able to continue to operate for at least 12 months from the date of this report.

Events Subsequent to Balance Date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years, which have not been disclosed in this report.



Pacific Power Association (Limited by Guarantee)
Executive Committee Members' Report (continued)
For the year ended 31 December 2017

Non- Current Assets

Prior to the completion of the financial statements of the Association, the members took reasonable steps to ascertain whether any non- current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Association. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the members are not aware of any circumstances which would render the values attributed to non- current assets in the Association's financial statements misleading.

Basis of Accounting

The members believe the basis of the preparation of the financial statements is appropriate. The members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

Bad and Doubtful Debts

Prior to the completion of the financial statements of the Association, the Executive Committee Members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and creating the allowance for doubtful debts. In the opinion of the Executive Committee Members, no further provision for doubtful debts is required.

As at the date of this report, the Executive Committee Members are not aware of any circumstances, which would render the amount written off for bad debts, or the provision for doubtful debts in the Association, inadequate to any substantial extent.

Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Executive Committee Members, the results of the operations of the Association during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature likely, in the opinion of the Executive Committee Members, to affect substantially the results of the operations of the Association in the current financial year, other than those reflected in the financial statements.

Other Circumstances

As at the date of this report:


- a) No charge on the assets of the Association has been given since the end of the financial year to secure the liabilities of any other person;
- b) No contingent liabilities have arisen since the end of the financial year for which the Association could become liable; and
- c) No contingent liabilities or other liabilities of the Association have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the members, will or may substantially affect the ability of the Association to meet its obligations as and when they fall due.

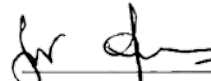
Pacific Power Association (Limited by Guarantee)
Executive Committee Members' Report (continued)
For the year ended 31 December 2017

As at the date of this report, the members are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Association's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Association misleading or inappropriate.

Signed for and on behalf of the Pacific Power Association Committee and in accordance with a resolution of the Executive Committee.

Dated at Suva, Fiji this 30th day of May 2018.


Chairman


Treasurer



Pacific Power Association (Limited by Guarantee)

Statement by Executive Committee Members


For the year ended 31 December 2017

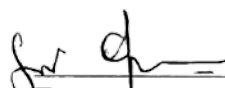
In accordance with a resolution of the Executive Committee of Pacific Power Association, we state that in the opinion of the Members:

- (a) the accompanying statement of income and retained earnings of the Association is drawn up so as to give a true and fair view of the results and changes in equity of the Association for the year ended 31 December 2017;
- (b) the accompanying statement of financial position of the Association is drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2017;
- (c) the accompanying statement of cash flows of the Association is drawn up so as to give a true and fair view of the cash flows of the Association for the year ended 31 December 2017;
- (d) the Association's financial statements have been prepared in accordance with the Companies Act 2015 and International Financial Reporting Standards for Small and Medium sized enterprises (IFRS for SMEs).
- (e) at the date of this statement there are reasonable grounds to believe the Association will be able to pay its debts as and when they fall due.

Signed for and on behalf of the Executive Committee and in accordance with a resolution of the Executive Committee Members.

Dated at Suva, Fiji this 30th day of May 2018.


Chairman


Treasurer



Independent Auditors' Report to the Members of Pacific Power Association

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pacific Power Association ("the Association"), which comprise the statement of financial position as at 31 December 2017, the statements of income and retained earnings and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 16.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2017 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized enterprises (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Executive Committee Members

Executive Committee Members and Management are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards for Small and Medium-sized enterprises and for such internal control as Executive Committee Members and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making estimates that are reasonable in their circumstance.

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

Executive Committee Members are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) 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.



Independent Auditors' Report to the Members of Pacific Power Association

Report on the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Association's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern; and
- 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.

We communicate with Executive Committee Members and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

- i) proper books of account have been kept by the Association sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and
- ii) to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Companies Act 2015, in the manner so required.

KPMG

KPMG

30th May, 2018

Suva, Fiji

Steve Nutley, Partner



AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 395 OF THE COMPANIES ACT 2015

To the Executive Committee members of Pacific Power Association.

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 December 2017 and up to the date of this report there have been:

- i) no contraventions of the Auditor independence requirements as set out in the Fiji Companies Act 2015 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

30th May, 2018
Suva, Fiji

Steve Nutley, Partner



Pacific Power Association

"Serving the Power Industry in the Pacific Islands"

Pacific Power Association (Limited by Guarantee)

Statement of income and retained earnings

For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue			
Subscription		893,846	848,240
Other income	2	<u>419,888</u>	<u>280,057</u>
		1,313,734	1,128,297
Expenses			
Other expenses	3	<u>(1,030,845)</u>	<u>(992,286)</u>
Surplus from operations		282,889	136,011
Release of fixed grant revenue	10	27,632	22,972
Surplus for the year		<u>310,521</u>	<u>158,983</u>
Members funds at start of the year		462,522	303,539
Members funds at end of the year		<u>773,043</u>	<u>462,522</u>

As the only changes to the Association's members funds during the year arose from a surplus it has elected to present a single statement of income and retained earnings instead of separate statements of comprehensive income and changes in retained earnings.

The statement of income and retained earnings is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 20.

Pacific Power Association (Limited by Guarantee)

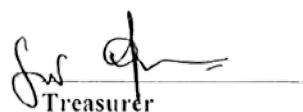
Statement of financial position

As at 31 December 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	11	363,421	729,066
Trade and other receivables	4	84,272	31,540
Prepayments and other assets	5	72,473	45,997
Held-to-maturity investments	8	523,838	354,000
Total current asset		<u>1,044,004</u>	<u>1,160,603</u>
Non- current Assets			
Property, plant and equipment	6	62,187	56,190
Intangible assets	7	22,854	-
Held-to-maturity investments	8	-	52,091
Total non- current assets		<u>85,041</u>	<u>108,281</u>
Total assets		<u>1,129,045</u>	<u>1,268,884</u>
Liabilities			
Current liabilities			
Trade and other payables	9	268,090	499,518
Project funds unexpended		8,814	227,978
Employee entitlement payable		5,385	31,468
Deferred income	10	27,632	22,753
Total current liabilities		<u>309,921</u>	<u>781,717</u>
Non-current liabilities			
Deferred income	10	46,081	24,645
Total non-current liabilities		<u>46,081</u>	<u>24,645</u>
Total liabilities		<u>356,002</u>	<u>806,362</u>
Net assets		<u>773,043</u>	<u>462,522</u>
Members funds			
Accumulated funds		33,420	33,420
Retained earnings		739,623	429,102
Total members' funds		<u>773,043</u>	<u>462,522</u>

Signed for and on behalf of the Executive Committee and in accordance with a resolution of the Executive Committee Members.


Chairman


Treasurer

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 20.



Pacific Power Association (Limited by Guarantee)

Statement of cash flows

For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Surplus for the year		310,521	158,983
<u>Adjustments to surplus for non-cash transactions</u>			
Depreciation and amortisation	3(b)	32,926	26,388
Release of deferred income	10	(27,632)	(22,972)
Doubtful debts		5,972	-
Loss on disposal of fixed assets		1,840	289
		<u>323,627</u>	<u>162,688</u>
<u>Change in assets and liabilities</u>			
(Increase)/ decrease in trade and other receivables		(58,753)	(998)
(Increase)/ decrease in prepayments and other assets		(26,476)	(1,282)
Increase/ (decrease) in trade and other payables		(231,428)	150,380
Increase/ (decrease) in employee entitlement payable		(26,083)	13,527
Increase/ (decrease) in project funds unexpended		(219,164)	227,978
Net cash (used in)/from operating activities		<u>(238,277)</u>	<u>552,293</u>
Cash flows from investing activities			
Payment for held to maturity investments		(117,747)	(106,414)
Acquisition of property, plant & equipment		(9,621)	(3,609)
Proceeds from sale of property, plant and equipment		-	-
Net cash used in investing activities		<u>(127,368)</u>	<u>(110,023)</u>
Net (decrease)/ increase in cash and cash equivalents		(365,645)	442,270
Cash and cash equivalents at the beginning of the year		729,066	286,796
Cash and cash equivalents at the end of the year	11	<u>363,421</u>	<u>729,066</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 20.

Pacific Power Association (Limited by Guarantee)

Notes to and forming part of the financial statements

For the year ended 31 December 2017

1. Statement of significant accounting policies

Pacific Power Association ("the Association") is a non-profit organisation limited by guarantee and does not have share capital. The Association is domiciled in Fiji. The financial statements were authorised for issue by the Executive Committee on 30th May 2018.

The significant accounting policies, which have been adopted in the preparation of these financial statements are:

(a) Statement of compliance

The financial statements of the Association have been prepared in accordance with the *International Financial Reporting Standard for Small and Medium-sized entities ("IFRS for SMEs")* issued by the International Accounting Standards Board. The financial statements are presented in Fiji dollars, rounded to the nearest dollar.

(b) Basis of preparation

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or current valuations of non-current assets.

The accounting policies have been consistently applied with those of the previous year.

(c) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to depreciation and amortization rates of property, plant and equipment and intangible assets respectively based on their estimated useful lives.

(d) Income tax

The Association is exempted from income tax under Part 2 (2) of the Income Tax (Exempt Income) Regulations 2016.

(e) Revenue recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable as and when service is provided.

Subscription Contributions

Contributions are non-exchange transactions which are recognised as revenue at the beginning of each financial year, as these constitute statutory membership obligations from members.



Pacific Power Association (Limited by Guarantee)
Notes to and forming part of the financial statements
For the year ended 31 December 2017

1. Statement of significant accounting policies (continued)

(c) Revenue recognition (continued)

Other Income

Revenue is recognised in the period the related service or activities are provided to the members. Additionally, voluntary contribution or sponsorship are recognised as income when received.

Donor Funds and World Bank

Donor funds received with specific purpose are recognised as revenue when the conditions attached to the funding have been met. Until those conditions are met, receipt of donor funding are accounted as Project Funds unexpended and recognised as liability. Donor funds expense incurred are recognised in the statement of income and retained earnings on a systematic basis in the same periods in which the income is recognised.

(f) Employee entitlements

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, represent present obligations in respect of employees' services up to the reporting date. They are calculated at undiscounted amounts based on remuneration rates that the Association expects to pay as at reporting date including related on-costs and are recognised as the services are performed by employees.

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of income and retained earnings when due.

(g) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the estimated useful lives, using the straight-line method. The following annual rates are used:

Office equipment	20%
Computer equipment	25%
Motor vehicle	20%
Furniture & fittings	10%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(h) Held-to-maturity Investments

Investments are valued at cost and income from investment is brought to account when earned. Profits and losses on disposal of investment are brought to account in the year which the investment is sold.

Pacific Power Association (Limited by Guarantee)

Notes to and forming part of the financial statements

For the year ended 31 December 2017

1. Statement of significant accounting policies (continued)

(h) Held-to-maturity Investments (continued)

Held-to-maturity investments are non- derivative financial assets with fixed or determinable payments and fixed maturities which the management has the intent and ability to hold to maturity.

(i) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

(j) Deferred income

Property, plant and equipment acquired through specific grants are brought to account as assets and the corresponding grants are treated as deferred income which are brought to income over the assets estimated useful life.

(k) Foreign currency translation

Foreign currency transactions are converted to Fiji dollars at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are translated to Fiji currency at the rates of exchange ruling at the balance date. All exchange gains or losses whether realised or unrealised are brought to account in determining the results of the year.

(l) Trade payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the balance date. Interest when charged by the lender is recognised as an expense when incurred using the effective interest method.

(m) Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

(n) Prepayments and other assets

Prepayments and other assets include interest income receivable, refundable deposits, prepaid expenses and staff advances.



Pacific Power Association (Limited by Guarantee)

Notes to and forming part of the financial statements

For the year ended 31 December 2017

1. Statement of significant accounting policies (continued)

(o) Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment allowance. The carrying amount of these assets is reviewed at each balance date to determine whether there is any indication of impairment. The recoverable amount of trade receivables is the estimated future cash flows expected from the asset.

(p) Intangible assets

Intangible assets refer to acquired and internally developed computer software. They are carried at historical cost less accumulated amortisation and impairment (if any).

Capitalized acquired software and software development costs are amortized on a straight-line basis over its estimated useful life which is 4 years. Any maintenance cost associated with the software is expensed when incurred.

2. Other income	2017	2016
	\$	\$
Conference registration	196,597	154,015
Sponsorship	51,049	18,971
Trade booth	58,295	42,521
Publication	54,874	32,220
Project administration fee	-	8,095
Other income	59,073	24,235
	<u>419,888</u>	<u>280,057</u>
3. Other expenses		
(a) Personnel expenses		
Key management personnel (Note 13(b))	464,842	458,035
Other secretariat staff salaries	40,017	83,810
Superannuation	86,646	88,210
Other personnel expenses	13,926	12,769
	<u>605,431</u>	<u>642,824</u>
(b) Depreciation and amortization		
Depreciation of property, plant and equipment	<u>32,926</u>	<u>26,388</u>

Pacific Power Association (Limited by Guarantee)
Notes to and forming part of the financial statements
For the year ended 31 December 2017

3. Other expenses (continued)	2017	2016
	\$	\$
(c) Other expenses		
Conference expenses	123,127	93,506
Secretariat – airfares, per diems & miscellaneous	85,531	75,880
Office rental	50,277	40,748
Internet and communication	17,249	16,207
Repairs and maintenance	13,896	11,325
Publication and editorials	17,147	20,322
Electricity	11,511	10,939
Legal fees	-	218
Website and networking cost	8,146	8,540
Insurance	4,359	4,288
Audit fees	4,200	4,807
Loss on disposal	1,841	289
Bank charges	8,351	7,890
Doubtful debts	5,972	-
Postage and courier	8,233	1,017
Other expenses	32,648	27,098
	<u>392,488</u>	<u>323,074</u>
 Total other expenses	 <u>1,030,845</u>	 <u>992,286</u>
 4. Trade and other receivables		
(a) Trade receivables		
Subscription receivable	25,560	17,315
Less: Provision for doubtful debts	(5,972)	-
	<u>19,588</u>	<u>17,315</u>
 (b) Other receivables		
Receivable from World Bank	60,733	11,996
Other receivables	3,951	2,229
	<u>64,684</u>	<u>14,225</u>
 Total trade and other receivables	 <u>84,272</u>	 <u>31,540</u>
 5. Prepayment and other assets		
Refundable deposit	11,826	6,876
Prepaid expenses	32,219	24,741
Staff advances	26,370	8,899
Interest receivable	2,058	5,481
	<u>72,473</u>	<u>45,997</u>



Pacific Power Association

"Serving the Power Industry in the Pacific Islands"

Pacific Power Association (Limited by Guarantee) Notes to and forming part of the financial statements For the year ended 31 December 2017

6. Property, plant and equipment	2017 \$	2016 \$
<u>Computer equipment</u>		
<i>Cost</i>		
At 1 January	12,149	13,279
Additions	11,787	-
Disposals	(1,220)	(1,130)
At 31 December	22,716	12,149
<i>Depreciation and impairment</i>		
At 1 January	9,468	8,526
Annual depreciation	4,105	1,788
Disposals	(915)	(847)
At 31 December	12,658	9,467
Net book value	10,058	2,682
<u>Office equipment</u>		
<i>Cost</i>		
At 1 January	40,961	38,615
Additions	22,184	3,609
Disposals	(1,921)	(1,263)
At 31 December	61,224	40,961
<i>Depreciation and impairment</i>		
At 1 January	36,291	29,424
Annual depreciation	5,567	8,131
Disposals	(384)	(1,263)
At 31 December	41,474	36,292
Net book value	19,750	4,669
<u>Motor Vehicle</u>		
<i>Cost</i>		
At 1 January	82,300	82,300
Additions	-	-
Disposals	-	-
At 31 December	82,300	82,300
<i>Depreciation and impairment</i>		
At 1 January	33,461	17,001
Annual depreciation	16,460	16,460
Disposals	-	-
At 31 December	49,921	33,461
Net book value	32,379	48,839

Pacific Power Association (Limited by Guarantee)
Notes to and forming part of the financial statements
For the year ended 31 December 2017

6. Property, plant and equipment (continued)	2017	2016
	\$	\$
<u>Furniture and fittings</u>		
<i>Cost</i>		
At 1 January	250	439
Disposals	-	(189)
At 31 December	250	250
 <i>Depreciation and impairment</i>		
At 1 January	250	424
Annual depreciation	-	9
Disposals	-	(183)
At 31 December	250	250
Net book value	-	-
 Total net book value	<u>62,187</u>	<u>56,190</u>
 7. Intangible assets		
<u>Computer software</u>		
<i>Cost</i>		
At 1 January	6,107	6,107
Additions	29,648	-
Disposals	-	-
At 31 December	35,755	6,107
 <i>Depreciation and impairment</i>		
At 1 January	6,107	6,107
Annual depreciation	6,794	-
Disposals	-	-
At 31 December	12,901	6,107
Net book value	<u>22,854</u>	<u>-</u>
 8. Held-to-maturity investments		
Current		
ANZ term deposit No. 11870336	-	51,757
ANZ term deposit No. 11763368	-	100,218
ANZ term deposit No. 12430848	-	102,025
ANZ term deposit No. 12843530	-	100,000
BRED term deposit 1	206,431	-
BRED term deposit 2	216,270	-
BRED term deposit 3	101,137	-
	<u>523,838</u>	<u>354,000</u>
 Non-Current		
ANZ term deposit No. 12119616	<u>-</u>	<u>52,091</u>

The Held-to-maturity investments consist of term deposits held with BRED bank for periods between 1 - 2 years at interest rates of 3.75% and 4%.



Pacific Power Association (Limited by Guarantee)
Notes to and forming part of the financial statements
For the year ended 31 December 2017

9. Trade and other payables

	2017	2016
	\$	\$
Bonus payable	44,364	20,921
Trade creditor and accruals	40,254	28,543
Advance membership fees	150,929	426,664
Executive director visa payable	1,266	-
Advance conference, publication fees & website sponsorship	31,277	23,390
	<u>268,090</u>	<u>499,518</u>

10. Deferred income

Opening balance	47,398	70,370
Add: Addition to grant revenue	53,947	-
Less: Release of fixed grant revenue	(27,632)	(22,972)
Balance as at 31 December	<u>73,713</u>	<u>47,398</u>
Current	27,632	22,753
Non-current	<u>46,081</u>	<u>24,645</u>
	<u>73,713</u>	<u>47,398</u>

11. Cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises cash on hand and at bank and foreign account balances. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	1,588	1,687
Cash at bank represented by:		
USD- 05138058	41,168	103,384
FJD- 05440640	311,851	396,017
World Bank - 12505317	8,814	227,978
	<u>363,421</u>	<u>729,066</u>

12. Commitments and contingencies

a) There are no capital commitments as at 31 December 2017 (2016: Nil).

b) There are no contingent liabilities as at 31 December 2017 (2016: Nil).

c) Operating lease commitments:

Within one year	55,041	13,585
Later than a year but no later than 5 years	73,288	-
	<u>128,329</u>	<u>13,585</u>

The Association has a lease agreement with Kelton Investments Limited for the lease of office space in Naibati House, Goodenough Street. A monthly rental of \$4,586 is made as per the renewed agreement which commenced on 01/05/2017 and expires on 30/04/2020. These rentals once realised have been recorded under Office rental caption (Note 3(c)).

Pacific Power Association (Limited by Guarantee)
Notes to and forming part of the financial statements
For the year ended 31 December 2017

13. Related parties

(a) Transactions with related parties

Related parties comprise of Executive Committee members and key management personnel.

The names of the Executive Committee members of the Association during the year and up to the date of this report are:

Name:	Position held:
Mr. Kione J. Isechal	Chairman
Mr. Hasmukh Patel	Alternate Chairman
Mr. Mark Waite	Secretary (Appointed on 01/08/2017)
Utu Abe Malae	Secretary (Completed term on 31/07/2017)
Mr. Apii Timoti	Alternate Secretary (Appointed on 01/08/17)
Tologata Lupematasila Galumemana Tile Le'ia	Treasurer
Mr. Abraham Simpson	Alternate Treasurer
Mr. Scott Coles	Chairman Allied Members (Appointed on 31/07/17)
Mr. Trevor Lord	Alternate Chairman Allied Members (Appointed on 31/07/17)
Mr. Andrew Daka	Executive Director

The Executive Committee members did not receive any emoluments in respect to their role as committee members (2016: Nil).

(b) Key management personnel

Key management personnel include the Executive Director and Deputy Executive Director. Compensation to key management personnel includes:

	2017	2016
	\$	\$
Gross salaries and bonus	412,952	409,607
Other benefits (housing, family allowance and insurance)	51,890	48,428
	<u>464,842</u>	<u>458,035</u>

(b) Balances with related party

As at 31 December 2017 \$26,370 (2016: \$8,844) is receivable from key management personnel due to subsequent financial period salary advanced as at year-end. No other receivable or payable from related parties was identified at year end.

14. Registered office

The Association's registered office and head office is located at Naibati House, Goodenough Street, Suva, Fiji Islands.



Pacific Power Association (Limited by Guarantee)
Notes to and forming part of the financial statements
For the year ended 31 December 2017

15. Principal activities

The Association is predominantly involved in enhancing the role of the power sector amongst the Pacific Island Countries and territories.

16. Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the members of the Executive Committee of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of the affairs of the Association, in subsequent financial years

Disclaimer

The additional financial data presented on page 22 of the financial statements is in accordance with the books and records of Pacific Power Association which have been subjected to the auditing procedures applied in our audit for the year ended 31 December 2017. It will be appreciated that our audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on this financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Association) in respect of this information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG

KPMG

30 May, 2018

Suva, Fiji



Steve Nutley, Partner



Pacific Power Association (Limited by Guarantee)

Detailed statement of income and expenditure

For the year ended 31 December 2017

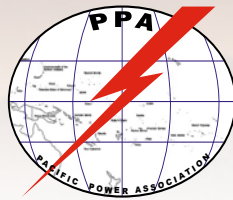
	2017	2016
	\$	\$
Income		
Subscription	893,846	848,240
Conference registration	196,597	154,015
Sponsorship	51,049	18,971
Trade booth	58,295	42,521
Publication	54,874	32,220
Other income	59,073	32,330
	<u>1,313,734</u>	<u>1,128,297</u>
Release of fixed grant revenue	27,632	22,972
Total income	<u>1,341,366</u>	<u>1,151,269</u>
Expenditure		
Project expenses	-	-
Key management personnel:		
- Gross salaries and bonus	412,952	409,607
- Other benefits (housing, family allowance and insurance)	51,890	48,428
Other secretariat staff salaries	40,017	83,810
Superannuation	86,646	88,210
Other personnel expenses	13,926	12,769
Depreciation of property, plant and equipment	32,926	26,388
Conference expenses	123,127	93,506
Secretariat – airfares, per diems & miscellaneous	85,531	75,880
Office rental	50,277	40,748
Internet and communication	17,249	16,207
Repairs and maintenance	13,896	11,325
Publication and editorials	17,147	20,322
Electricity	11,511	10,939
Legal fees	-	218
Website and networking cost	8,146	8,540
Insurance	4,359	4,288
Audit fees	4,200	4,807
Loss on disposal	1,841	289
Security	688	1,047
Pest control	305	216
Printing and stationery	3,918	8,546
Bank charges	8,351	7,350
Member bank charges	-	540
Advertising and marketing	1,242	1,770
Postage and courier	8,233	1,017
Doubtful debts	5,972	-
Miscellaneous expenses	26,495	15,519
Total expenditure	<u>1,030,845</u>	<u>992,286</u>
Surplus for the year	<u>310,521</u>	<u>158,983</u>

The detailed statement of income and expenditure is to be read in conjunction with the disclaimer as set out on page 21.



Pacific Power Association

"Serving the Power Industry in the Pacific Islands"



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