

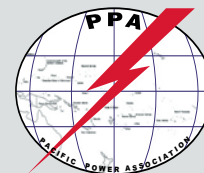
Pacific Power Association



2018

Annual Report and Audited Financial Accounts





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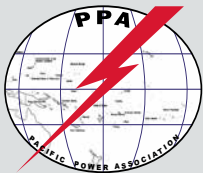
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Mission

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

Vision

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



Executive Director's Message

Bula Vinaka. I am pleased to present to the Members the 2018 Annual Report of the Pacific Power Association and accompanying the Audited Financial Accounts.

27th Annual Conference - Attendance at the 2018, 27th Annual Conference turned out better than expected with some 209 delegates attending representing 21 Active Members, 49 Allied Members, and 5 Affiliate Members. The conference was formally opened by the Vice President of the Republic of Palau, Hon Raynold Oilouch with the Keynote address delivered by Miss Jennifer DeCesaro of the US Department of Energy. The Association acknowledges and appreciates the Palau Public Utilities Corporation for hosting the conference.

Membership- As expected, the Association experienced withdrawals by members as well as new members during the course of the year. Exit interviews were conducted of the members leaving to determine the reasons for leaving the association with a view towards improving services to the Allied Members. The reasons for leaving include change in business focus, business interest redirected to other regions, the lack of business opportunities. However, the area of membership that has grown has been with the Affiliate members where the number of regional and international organizations are keen to collaborate and partner with the Association. Overall the membership numbers remain at the same level compared to the previous year, 2017.

It would be remiss of me not to acknowledge the continued support of the Allied Members of the Association through the membership subscriptions, sponsorships during the conference, and advertising in the PPA publications. These are important contributions to the financial sustainability of the Association.

Training- Much of the capacity building activities facilitated by the Association throughout the year has been possible through the World Bank funded Sustainable Energy Industry Development Project (SEIDP). Under this project the PA has conducted 18 in-country workshops on RE and EE Guidelines and

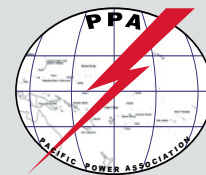
2 sub-regional workshops on PV Operations and Maintenance and SCADA. It is expected that more workshops will be held in 2019 as we look towards completing the planned activities under the project.

The Association underwent significant changes during the 2018 Board Meeting with the new office bearers voted into office at the Board Meeting held in Palau. Mr. Hasmukh Patel, CEO of Energy Fiji Limited, was elected the Chairman of the PPA Board for the next three years with other changes to the Alternate Chairman, Secretary, Alternate Secretary, Treasurer and Alternate Treasurer.

The staffing level at the PPA Secretariat was supplemented by the recruitment of an Accounts and Administrative Assistant under the World Bank funded SEIDP.

As expected with the SEIDP now well into the implementation stage, the majority of the activities facilitated by the Association has been either funded by SEIDP or other sources closely aligned to it.

Andrew Daka
Executive Director, Pacific Power Association

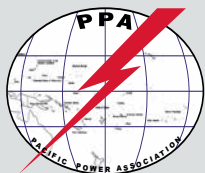


1. PPA Board And Governance

1.1 Board Membership

There were a few changes in the composition of the Pacific Power Association Board in the 2018 Fiscal Year with Mr. Hasmukh Patel being appointed as the PPA Chairman, Utu Abe Malae as Alternate PPA Chairman, Mr. Mafalu Lotolua as Treasurer, Mr. Setitaia Chen as Alternate Treasurer, Mr. Apii Timoti as Secretary and Mr. Pradip Verma as the Alternate Secretary. The Board of Directors of the Association as at 31st December 2018:

Chief Executive	Utility
Utu Abe Malae	American Samoa Power Authority, American Samoa.
Mr. Kasio Kemba Mida Jr.	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	Energy Fiji Limited, Republic of Fiji Islands
Mr. John M. Benavente	Guam Power Authority, Guam.
Mr. Fred Skilling	Kosrae Utility Authority, Kosrae, FSM.
Mr. Romeo Alfred	Kwajalein Atoll Joint Utility Resources, Marshall Islands.
Mr. Jack Chong-Gum	Marshalls Energy Company, Marshall Islands.
Mr. Abraham Simpson	Nauru Utilities Corporation, Nauru
Mr. Andre Siohane	Niue Power Corporation, Niue
Mr. Douglas Mageo	PNG Power Limited, Papua New Guinea.
Mr. Nixon Anson	Pohnpei Utilities Corporation, Pohnpei, FSM.
Mr. Wayne Brearley	Public Utilities Board, Kiribati.
Mr. Gregory Decherong	Public Utilities Corporation, Palau.
Mr. Pradip Verma	Solomon Islands Electricity Authority, Solomon Islands.
Mr. Apii Timoti	Te Aponga Uira O Tumu-Te-Varovaro, Cook Islands.
Mr. Setitaia Chen	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. Trevor Lord	Alternate Chairman, Allied Members
Mr. Andrew D. Daka	Executive Director



1.2 Executive Committee

The Executive Committee membership as at 31st December 2018:

Position	Incumbent	Organization	Term
Chairman	Mr. Hasmukh Patel	EFL, Republic of Fiji Islands	2018-2021
Secretary	Mr. Apii Timoti	TAU, Cook Islands	2018-2021
Treasurer	Mr. Mafalu Lotolua	TEC, Tuvalu	2018-2021
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 2018:

Position	Incumbent	Organization	Term
Alternate Chairman	Utu Abe Malae	ASPA, American Samoa	2018-2021
Alternate Secretary	Mr. Pradip Verma	SP, Solomon Islands	2018-2021
Alternate Treasurer	Mr. Setitaia Chen	TPL, Tonga	2018-2021
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 2018 during the 27th Annual Conference:

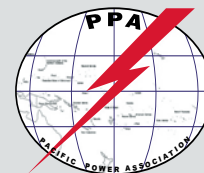
Meeting	Venue	Date
Executive Committee Meeting 2018	Koror, Palau	29 July 2018
Allied Members Meeting 2018	Koror, Palau	30 July 2018
Board Meeting 2018	Koror, Palau	31 July 2018
Annual General Meeting 2018	Koror, Palau	3 August 2018

2. PPA Secretariat

2.1 Secretariat Staffing

The staffing level of the Secretariat as at 31st December 2018 as shown below. This included two consultants and an accounts and administrative assistant 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 Clerk/Driver
6	Ms. Penelope Verebasaga	Accounts and Administrative Assistant, SEIDP Project



7	Wairarapa J. Young	Project Implementation Officer, SEIDP Project Consultant
8	Krishnan Nair	Electrical Engineer, SEIDP Project Consultant

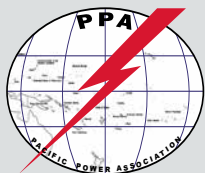
2.2 Office Accommodation & Assets

The PPA Secretariat has a lease which expires on the 1st of May, 2020. There are no issues on PPA's owned fixed assets as stated by the auditors.

2.3 Meetings and Conferences

The Executive Director and members of the PPA Secretariat staff attended the following meetings, forums, workshops and conferences during 2018. 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
8 th Session of IRENA Assembly, Abu Dhabi, UAE	PPA	12 – 13 January	Executive Director
Opening of ElectraTherm Power Factory, Atlanta, USA	ElectraTherm	15 – 18 January	Executive Director
Cutting Edge Symposium, Tokyo, Japan	Sasakawa Peace Foundation	26 – 29 January	Executive Director
Variable Renewable Energy (VRE) Study Inception Meeting, Nadi, Fiji	WB/SEIDP	12 – 13 February	Executive Director, Deputy Executive Director
44 th CROP Meeting, Suva, Fiji	PPA	19 February	Executive Director
Tuvalu Electric Corporation Visit, Tuvalu	PPA	6 – 8 March	Executive Director
PIFS CROPs Heads Meeting, Sydney, Australia	PPA	3 – 4 April	Executive Director
PIFS CROPs Deputies Meeting, Auckland, New Zealand	PPA	16 April	Deputy Executive Director
PIFS Forum Ministers' Meeting, Koror, Palau	PPA	25 – 27 April	Executive Director
Washington DC Meetings - WB SEIDP Team & USDO	PPA/SEIDP	16 – 18 May	Executive Director
CARILEC CEOs and CFOs Symposium, Bridgetown, Barbados	PPA	21 – 24 May	Executive Director
ADB-Asia Clean Energy Forum, Manila, Philippines	PPA	3 – 8 June	Executive Director,
SEIDP Solar OV Operation & Maintenance, Battery & SCADA Workshop, Pohnpei	WB/SEIDP	20 – 28 June	Executive Director

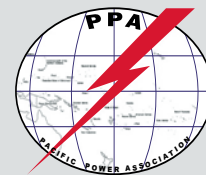


Solar Operation Maintenance, Battery Storage Systems & SCADA Workshop, Apia, Samoa	WB/SEIDP	2 – 10 July	Deputy Executive Director
27 th PPA Annual Conference & Trade Exhibition, Koror, Palau	PPA	30 July – 3 August	Executive Director, Deputy Executive Director, Admin Officer, Accountant & WB Consultants
49 th Pacific Islands Forum & Related Meeting, Nauru	PPA	30 August – 7 September	Executive Director
PPA Strategic Plan 2018 – 2013 Workshop, Nadi, Fiji	WB/SEIDP	12 – 13 October	Executive Director, Deputy Executive Director
Isolated Power Systems (IPS) Connect, Maui, Hawaii	WB/SEIDP	15 – 19 October	Executive Director
SPREP – UNFCCC COP 24 Preparatory Meeting, Nadi, Fiji	PPA	31 October – 2 November	Executive Director
Pre-conference visit, Rarotonga, Cook Islands	PPA	5 – 9 November	Executive Director, Deputy Executive Director
RE Guidelines Training Workshop, Solomon Islands	WB/SEIDP	20 – 23 November	Executive Director
9 th Meeting of the Pacific Energy Advisory Group – Suva, Fiji	PPA	19 – 20 November	Executive Director
CROP Heads Meeting, Suva, Fiji	PPA	21 November	Executive Director
Asia-Pacific PV Institute Conference, Sydney, Australia	PPA	4 – 6 December	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
Variable Renewable Energy (VRE) Study Inception Meeting, Nadi, Fiji	WB	12 – 13 February	17
SEIDP Solar OV Operation & Maintenance, Battery & SCADA Workshop, Pohnpei	WB	20 – 28 June	20
Solar Operation Maintenance, Battery Storage Systems & SCADA Workshop, Apia, Samoa	WB	2 – 10 July	28
PPA Strategic Plan 2018 – 2013 Workshop, Nadi, Fiji	WB	12 – 13 October	6



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

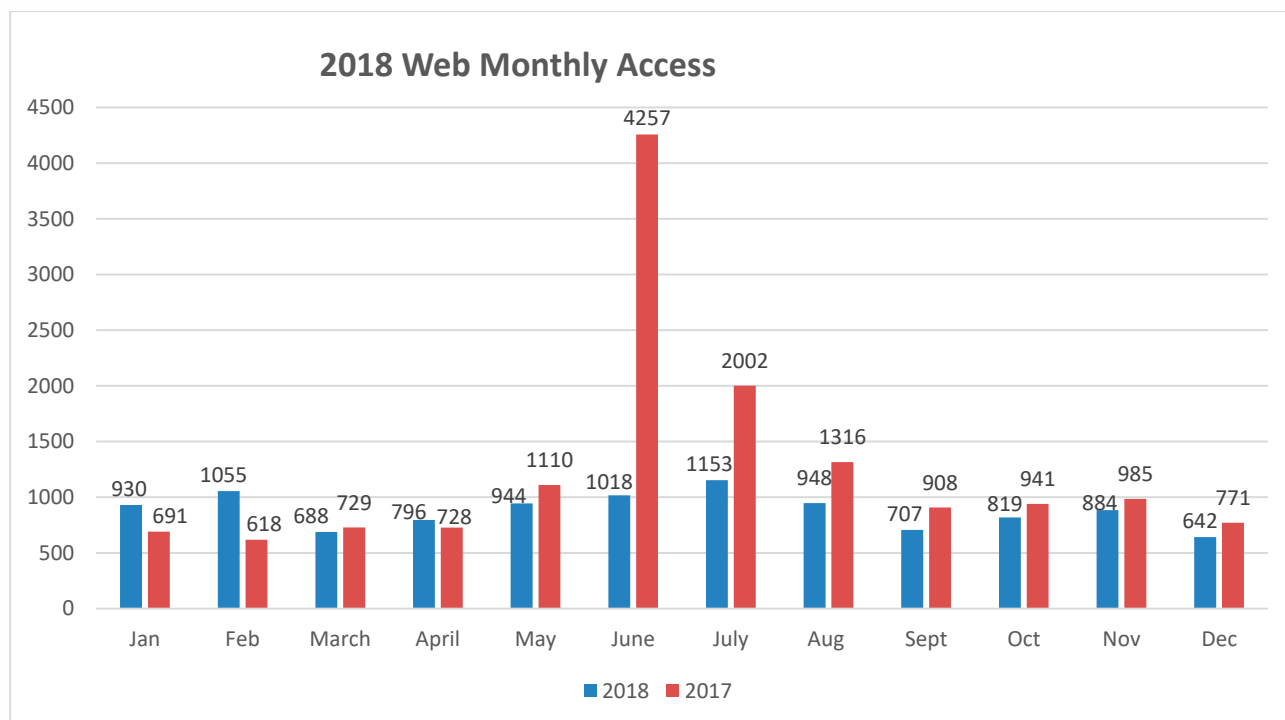
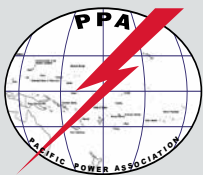
A number of consultancies and other specialist services were sought by the Secretariat during the year. Below is a list of the consultancy services engaged during 2018:

Company / Individual	Services rendered
Dr. Herb Wade	Moderator for the Board Members' Workshop during the 27 th Annual PPA Conference in Koror, Palau.
Aon Insurance	Insurance of PPA office vehicle
AON Insurance	Insurance of PPA Fixed Assets and employees
Vodafone Fiji Limited	Vodafone Calls, Voice and data Contract
Sherani & Company	Providing legal certification for audit and other PPA legal issues.
EY Chartered Accountants	Audit of PPA 2018 Annual Accounts.
Viti Technology Solutions Ltd	Computer Network Support
Kidanet	Internet Service Provider

4.2 PPA Website

The number of visitors to our website has decreased from 15,056 in 2017 to 10,584 in 2018 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 27th Annual PPA Conference

A total of 209 delegates representing 21 utilities, 49 companies and 5 affiliates' organisations registered to attend the conference held in Koror, Palau.

The 2018 Annual PPA Conference & Trade Exhibition was hosted by Palau Public Utilities Corporation (PPUC) from July 30 – August 3, 2018. It was the second time PPUC had hosted the PPA Conference.

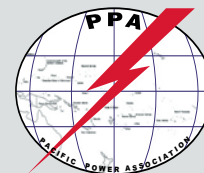
PPA was privileged to have the Vice President of Palau, Honorable Raynold B. Oilouch, officially open the PPA Conference with Ms. Jennifer DeCesaro, Director-Technology-to-Market of the US Department of Energy, delivering the keynote address. In addition, there were panel discussions on the conference theme, "Renewables are our future". There were 36 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. The first ever event that was introduced to the PPA Conference, the Speed Networking, where the Allied Members were given four minutes face to face discussions with the Active Members. There were only twenty-four (24) Allied Members and there were twenty-one (21) active members that took part.

4.4 Pacific Power Magazine

In 2018 PPA published following magazines: -

- Volume 26 No. 1 – issued March 2018
- Volume 26 No. 2 – issued June 2018
- Volume 26 No. 3 – issued September 2018
- Volume 26 No. 4 – issued December 2018

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 2019.

4.5 Other PPA Brochures & Publications

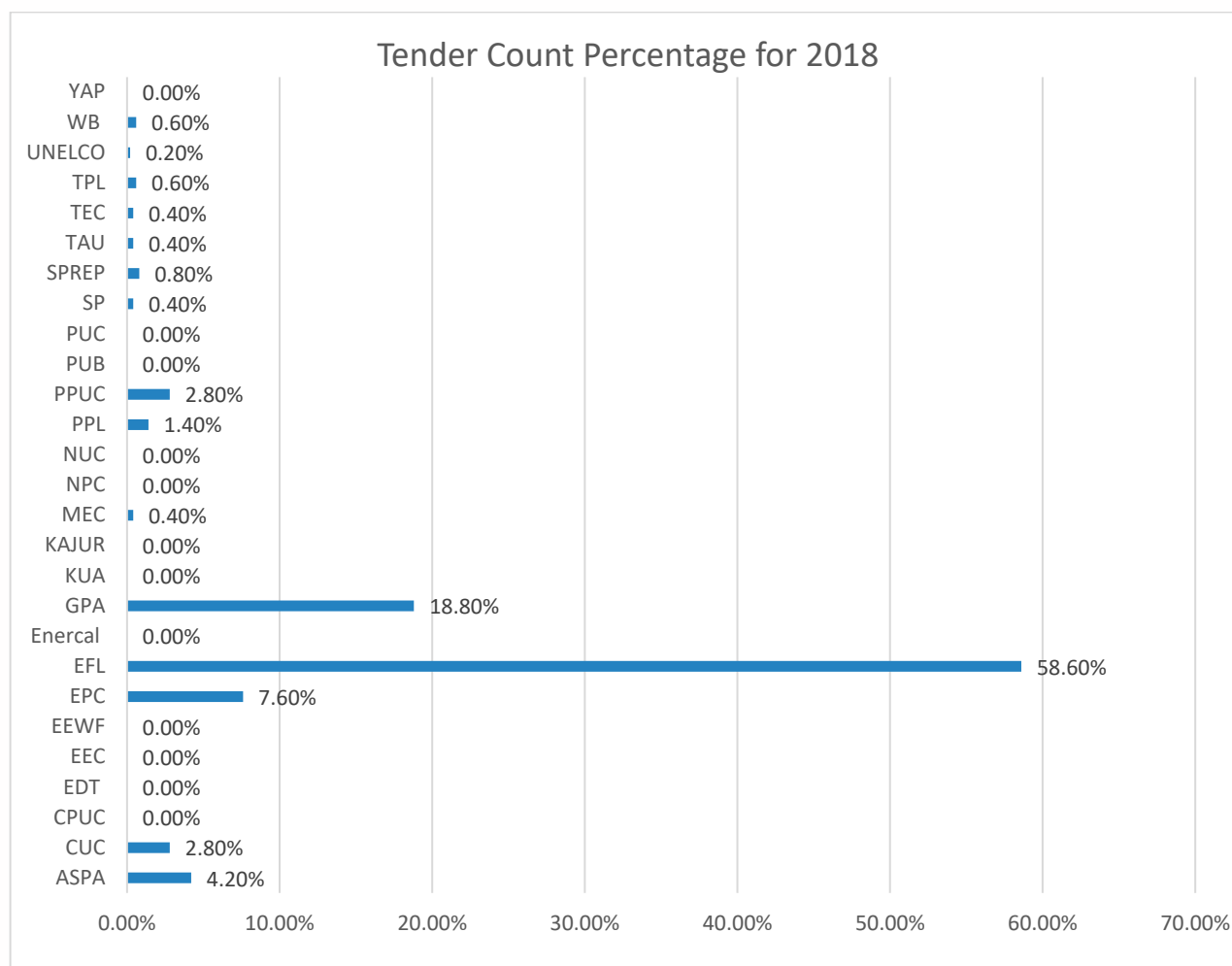
The Secretariat produced the following publications during 2018: -

- 2019 PPA Calendar
- 2019 PPA Members Directory

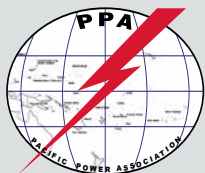
4.6 Tender & Quotations

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 2018.

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



Total number of Tenders and Quotations: 500
 Percentage based on: 100%



5. Membership Report

The total membership of the Pacific Power Association as at 31 December 2018 was 153 comprising 25 Active Members, 105 Allied Members and 23 Affiliate Members. This is a net decrease of 14 from the previous year primarily due to the decrease in Allied membership. The number of Active members remained the same whilst there was a decrease by one in the number of Affiliate Members.

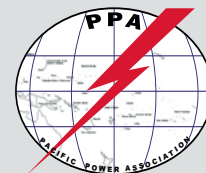
Member	Membership As at Dec 17	Membership As at Dec 18	Increase (Decrease)
Active	25	25	0
Allied	118	105	(13)
Affiliates	24	23	(1)
Total	167	153	(14)

The following changes in membership were recorded for the year 2018:

Cancelled Active Memberships	-	nil
New Allied Memberships	-	15
Cancelled Allied Memberships	-	28
New Affiliate Members	-	nil

Details of New Allied Membership and Cancellation

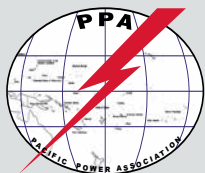
New Allied Memberships	Cancelled Allied Memberships
FuelChief Trustee Limited	ABCCO Site Machining
Monje Exports	Alpine Energy Ltd
Canadian Solar	AMS International Technologies Pty Ltd
Vergnet SA	APR Energy
Bardot Ocean Group	Aquaduct Trading Pty Ltd
Benson Guam	Chapman Tripp
Pavilion Gas	GE Global Growth PNG
Trina Energy Storage Solutions	Gentrack Limited
Jean Mueller New Zealand Limited	Genus Metering
Zero-Carbon Island Corporation Ltd	Indra Australia Pty Ltd
Exact360TD	Granite Power Limited
Koppers Wood Products	Intracor Trading Co. Ltd
Selectronic Australia Pty Ltd	ITP Renewables
Power Protection Industries	Kiribati Oil Company
STAMFORD-AvK	Manitoba Hydro International
	Marinsa International Inc
	Northpower Ltd
	Par Pacific Holdings, Inc
	Penske Power Systems
	Progetti Plant S.R.L



	RJE Global
	Siemens Energy Inc
	Temes Guam
	Top Energy Ltd
	Vortex Group Ltd
	Yingli Green Energy Australia Ltd
	IMPS (UK)
	Vector Limited

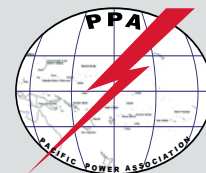
The Active Members Listing as at 31 December 2018:

Active Members	Country
1. American Samoa Power Authority	American Samoa
2. Commonwealth Utilities Corporation	Commonwealth of Northern Marianas Islands
3. Chuck Public Utility Corporation	Federated States of Micronesia
4. Electric Power Corporation	Samoa
5. Electricité de Tahiti	French Polynesia
6. Electricité et Eau de Caledonie	New Caledonia
7. Electricité et Eau de Wallis et Futuna	Wallis and Futuna
8. Enercal	New Caledonia
9. Energy Fiji Limited	Fiji Islands
10. Guam Power Authority	Guam
11. Kosrae Utilities Authority	Federated States of Micronesia
12. Kwajalein Atoll Joint Utility Resources	Republic of Marshall Islands
13. Marshalls Energy Company	Republic of Marshall Islands
14. Nauru Utilities Authority	Nauru
15. Niue Power Corporation	Niue
16. PNG Power Ltd	Papua New Guinea
17. Pohnpei Utilities Corporation	Federated States of Micronesia
18. Public Utilities Board	Kiribati
19. Palau Public Utilities Corporation	Palau
20. Tonga Power Limited	Tonga
21. UNELCO Vanuatu Limited	Vanuatu
22. Solomon Power	Solomon Islands
23. Te Aponga Uira O Tumu-Te-Varovaro	Cook Islands
24. Tuvalu Electricity Corporation	Tuvalu
25. Yap State Public Service Corporation	Federated States of Micronesia



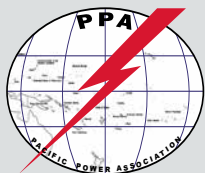
The Allied Members Listing as at 31 December 2018:

Allied Members	Country	Allied Members	Country
1. AB Industries	New Zealand	36. EPC International Pty Ltd	Australia
2. ABB Australia Pty Ltd	Australia	37. Ergon Energy	Australia
3. ABB Limited	New Zealand	38. ETEL Limited	New Zealand
4. Acclinks Communications Inc.	P.R.CHINA	39. Exact360TD	Guam
5. Aco Pty Ltd	Australia	40. Fiji Gas	Fiji
6. Agility CIS Limited	New Zealand	41. FSM Petroleum Corporation	FSM
7. Aggreko New Zealand Limited	New Zealand	42. FuelChief Trustee Limited	New Zealand
8. Akuo Energy Pacific	Australia	43. Generator Rental Services	New Zealand
9. Alfa Laval Australia Pty Ltd	Australia	44. Global Sustainable Energy Solutions	Australia
10. America's Best Electric Mart	Guam	45. Global Turbocharger Solutions	United Kingdom
11. AMP Control	Australia	46. Gough Cat Power Systems	New Zealand
12. Andritz Hydro	New Zealand	47. Greenbox Energy Pty Ltd	Australia
13. AR Industrial	Australia	48. Harelec Services	Australia
14. Arthur D. Riley & Co Ltd	New Zealand	49. Hatz Diesel Australia	Australia
15. Australian Winders	Australia	50. Hawker Siddeley Switchgear Pty Ltd	Australia
16. AVO NZ Ltd	New Zealand	51. Hawthorne Power Systems	USA
17. Balance Utility Solutions	Australia	52. Hubbell Power Systems, Inc. (Asia Pacific)	Philippines
18. Bardot Ocean Group	France	53. Hydro Tasmania	Australia
19. Benson Guam Enterprises, Inc	Guam	54. I S Systems	Australia
20. B&R Enclosures Pty Ltd	Australia	55. Infratec	New Zealand
21. Busck Prestressed Concrete Ltd	New Zealand	56. International Utility Poles	Australia
22. Canadian Solar	United States of America	57. IP&E Holdings, LLC	USA
23. Carpenters Motors T/A Carptrac	Fiji	58. Itron	Australia
24. CBS Power Solutions	Fiji	59. Jacobs Group Australia Pty Ltd	Australia
25. Clean Energy Technologies	USA	60. Jean Mueller New Zealand Ltd	New Zealand
26. ComAp Ltd	Australia	61. Komai Haltec Inc.	Japan
27. Cummins South Pacific	Australia	62. Koppers Wood Products Pty Ltd	Australia
28. Dateline Exports Inc.	USA	63. Maclean Power	Australia
29. Delstar New Zealand Ltd	New Zealand	64. Man Energy & Turbo Australia Pty Ltd	Australia
30. DNV GL	USA	65. Maskell Productions Ltd	New Zealand
31. Dominion Wire & Cables Ltd	Fiji	66. McMahon Limited	New Zealand
32. Eaton Industries Pty Ltd	Australia	67. Monje Exports	United States of America
33. EDM I Pty Ltd	Australia		
34. ElectraTherm	USA		
35. Energy Power Systems Australia Pty Ltd	Australia		



	Allied Members	Country
68.	MPower Group	New Zealand
69.	MTQ Engine Systems (Australia) Pty Ltd	Australia
70.	Nan Electrical Cable Australia Pty Ltd	Australia
71.	Nexans Olex	New Zealand
72.	NZ Marine Turbochargers Ltd	New Zealand
73.	Oceangas Services Australia Pty Ltd	Switzerland
74.	OHM International Corporation	USA
75.	Optimal Group Australia Pty Ltd	Australia
76.	Origin Energy	Australia
77.	Pacific Bulk Fuel Ltd	New Zealand
78.	Pacific Energy SWP Ltd	Vanuatu
79.	Pacific Power Engineering Pty Ltd	Australia
80.	Pavilion Gas Pte Ltd	Singapore
81.	Pernix Group, Inc.	USA
82.	Petroleum & Gas Company Fiji	Fiji
83.	PLP Electropar NZ Ltd	New Zealand
84.	Power Protection Industries	Australia
85.	S&C Electric Company	Australia
86.	Schweitzer Engineering Laboratories	New Zealand
87.	Siemens Ltd	Australia
88.	SK B&T	South Korea
89.	SMA Australia Pty Ltd	Australia
90.	Tesla	USA
91.	Selectronic Australia Pty Ltd	Australia
92.	South Austral Pty Ltd	Australia
93.	STAMFORD-AvK	Australia
94.	Sulzer Australia Pty Ltd	Australia
95.	Sunergise International Ltd	Fiji
96.	The Energy Network (Aust) Pty Ltd	Australia
97.	Total Oil Asia Pacific Pte Ltd	Singapore
98.	TransDiesel Ltd	New Zealand
99.	Transnet NZ Limited	New Zealand

	Allied Members	Country
100.	Trina Energy Storage Solutions	Australia
101.	Vergnet SA	France
102.	Wartsila Australia Pty Ltd	Australia
103.	Winson Oil Trading Pte Ltd	Taiwan
104.	XANT NV	Belgium
105.	Zero-Carbon Island Corporation Ltd	Fiji



The Affiliate Members Listing as at 31 December 2018:

	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)	Samoa
9	Secretariat of the Pacific Community (SPC)	Fiji
10	South Pacific Applied Geoscience Commission (SOPAC)	Fiji
11	International Renewable Energy Agency (IRENA)	United Arab Emirates
12	Sustainable Energy Industry Association of the Pacific Islands (SEIAPI)	Fiji/Guam
13	Asian Development Bank (ADB)	Philippines
14	The World Bank (WB)	USA/Australia
15	European Union Fiji Mission (EU)	United Arab Emirates, Abu Dhabi
16	New Zealand Ministry of Foreign Affairs and Trade (NZMFAT)	New Zealand
17	International Electrotechnical Commission (IEC)	Switzerland
18	Japan International Cooperation Agency (JICA)	Japan
19	Pacific Regional Infrastructure Facility (PRIF)	Australia
20	Secretariat of the Pacific Regional Environment Program (SPREP)	Samoa
21	The University of the South Pacific (USP)	Fiji
22	Pacific Islands Forum Secretariat (PIFS)	Fiji
23	Pacific Aviation Safety Organization (PASO)	Vanuatu

6. PROJECT ACTIVITIES

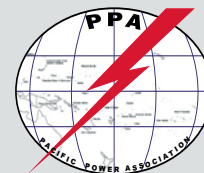
World Bank - Sustainable Energy Industry Development Project (SEIDP)¹

Project Progress:

The SEIDP has made steady progress over the past year. Some of the key achievements in 2018 for activities funded under the project include:

- The procurement process for a firm to carry out the Solar and Wind Resource Measurement Campaign in the Pacific Islands is in its final stages with the contract expected to be awarded in early 2019. This activity involves the installation of solar and wind measuring equipment to collect high quality data that will be used to validate the solar and wind resource maps that have been produced for the Pacific by the World Bank. .
- GSES Pty Ltd from Australia was awarded the contract to develop Renewable Energy & Energy Efficiency guidelines and competency standards for the PPA in collaboration with the Sustainable Energy Industry

¹ The Sustainable Energy Industry Development Project is a project being implemented by the PPA with a grant of USD5.66million from the World Bank. The World Bank's 12 Pacific island member countries are the main beneficiaries of the project.



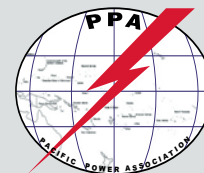
Association of the Pacific Islands. The consultancy includes the updating of existing guidelines as well as the development of new guidelines and carrying out awareness workshops in each of the WB member countries. The first round of in country workshops started in Palau immediately after the PPA Annual Conference. The second round of workshops will start after the 2019 annual conference.

- Work has started on PPA's Gender network through the establishment of a group of "gender champions" whom have been nominated by their respective utilities to be part of this important initiative. The gender champions will work with the Secretariat to promote the action plan being developed in close collaboration with the World Bank's gender team to mainstream gender issues into utility operations.
- The Secretariat engaged the services of Dr Herb Wade to update the PPA Strategic Plan for the next five year period 2018 – 2023. The report was circulate to all PPA active members for initial before a final review was carried out by a committee consisting of the PPA Chairman, Technical Advisory Group CEOs from EPC, TEC and YSPSC as well as the Executive Director and Deputy Executive Director. The new strategic plan identifies some of the priority areas that the PPA will focus on over the next five years and will also be used to support funding applications to development partners for additional projects and possible extension of the SEIDP.
- RMSI Ltd from India was awarded the contract to develop an online benchmarking platform for the PPA. The online application will allow the Secretariat and utility members to upload data and carry out benchmarking analysis on a dedicated webpage. It is envisaged that this will streamline the data collecting process for the annual benchmarking exercise.
- The PPA website has been revamped and updated with dedicated sections on Solar and Wind Resource Maps, Gender, Online Benchmarking, Power system modelling and other project activities.
- Several capacity building activities have been carried out under the project including an inception workshop on Variable Renewable Energy Grid Integration; Operation and Maintenance of PV systems, SCADA design and EMS; Benchmarking; as well as the in-country workshops on the Guidelines.

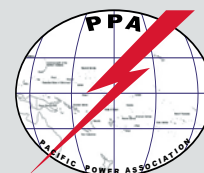
The Mid-Term Review of the SEIDP was carried out in May 2018 by a team from the WB lead by the Task Team Leader. The review found that despite initial delays in project implementation, there has been significant progress made over the past year and the project is still on track to meet its objectives. However there is still a risk that the main activity which accounts for over 40% of the project budget may not be completed within the remaining timeframe for the project. In light of this, the PPA has prepared a submission to the Bank for an extension to the project deadline from August 2020 to December 2021. This will allow the PPA and the project team to complete the minimum period of data collection of 2 years for the solar and wind resource measurement campaign.

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 2018 to 31 December 2018 as audited by the external auditor, Ernst & Young. The Association recorded a surplus of FJD\$107,445 for the 2018 Financial Year.



**Pacific Power Association (Limited by Gurantee)
Financial statements
For the Year ended 31 December 2018**

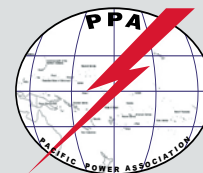


PACIFIC POWER ASSOCIATION (Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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**PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE COMMITTEE MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

In accordance with a resolution of the Executive Committee, the members herewith submit the statement of financial position of the association as at 31 December 2018, the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and report as follows:

Executive Board

Executive Committee Members at the date of this report are:

Name:	Position held:
Mr. Hasmukh Patel	Chairman
Vacant	Alternate Chairman
Mr. Apii Timoti	Secretary
Mr. Pradip Verma	Alternate Secretary
Mr. Mafalu Lotolua	Treasurer
Mr. Setitaia Chen	Alternate Treasurer
Vacant	Chairman Allied Members
Mr. Trevor Lord	Alternate Chairman Allied members
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 statement. The accompanying financial statement of financial position gives a true and fair view of the state of affairs of the Association as at 31 December 2018 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 \$107,445 (2017: \$310,521).

Principal Activity

The principal activity 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 and to enhance the role of the power sector in the Pacific Island countries.

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.

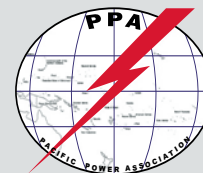
Non-Current Assets

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 and the Association will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE COMMITTEE MEMBERS' REPORT (*continued*)
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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 had been taken in relation to writing off of bad debts. In the opinion of 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 values attributed to non-current assets in the financial statements of the Association misleading.

Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the 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 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.

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.

Auditor's Independence

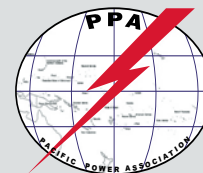
The Executive Members' have obtained an independence declaration from the Association's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Executive members' on page 5.

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

Dated this 23rd day of May 2019.

Chairman

Treasurer



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE MEMBERS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018

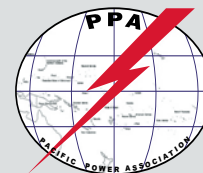
This Directors' Declaration is required by the Companies Act 2015.

- (a) in the Directors' opinion, the financial statements and notes of the Company for the financial year ended 31 December 2018;
 - (i) give a true and fair view of the financial position of the Association as at 31 December 2018 and of the performance of the Association for the year ended 31 December 2018;
 - (ii) have been made out in accordance with the Companies Act 2015;
- (b) they have received declarations as required by section 395 of the Companies Act 2015; and
- (c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board.

Chairman
Date
Suva, Fiji.

Treasurer



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AUDITOR'S INDEPENDENCE DECLARATION TO THE EXECUTIVE MEMBERS OF PACIFIC POWER ASSOCIATION

As lead auditor for the audit of Pacific Power Association for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

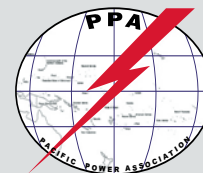
- (a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pacific Power Association during the financial year.

Ernst & Young
Ernst & Young
Chartered Accountants

Mhuin
Sikeli Tuinamuana
Audit Partner
Suva, Fiji

23 May 2019



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INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Power Association

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Pacific Power Association ("the Association"), which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income and retained earnings and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Association as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards For Small and Medium Sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Executive committee members and management for the Financial Statements

The Executive committee members and management are responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS for SMEs and for such internal control as the management determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

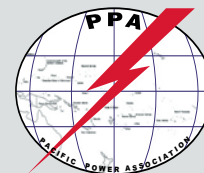
In preparing the Financial Statements, the Executive committee members and management are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Executive committee members and management are responsible for overseeing the Associations' financial reporting process.

Auditor's 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 auditor's 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 the Executive committee members and 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 Associations' ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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 the 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.

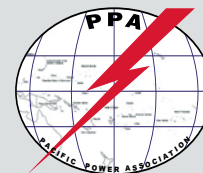
We also provide the Executive committee members and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Association has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Ernst & Young
Chartered Accountants
Sikeli Tuinamua
Sikeli Tuinamua
Partner
Suva, Fiji
23 May 2019

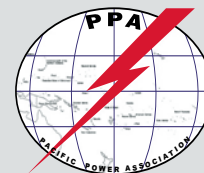


PACIFIC POWER ASSOCIATION (Limited by Guarantee)
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Subscription		787,875	893,846
Other income	3	367,188	419,888
Total operating income		<u>1,155,063</u>	<u>1,313,734</u>
Other expenses	4	(1,078,007)	(1,030,845)
Operating profit from operations		<u>77,056</u>	<u>282,889</u>
Release of fixed grant revenue	11	30,389	27,632
Surplus for the year		<u>107,445</u>	<u>310,521</u>
Members funds at beginning of the year		773,043	462,522
Members funds at end of the year		<u>880,488</u>	<u>773,043</u>

As the only change 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.

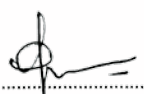
The accompanying notes form an integral part of this Statement of Comprehensive Income.



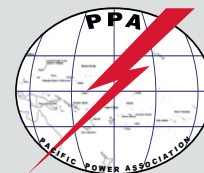
PACIFIC POWER ASSOCIATION (Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	12	642,907	363,421
Trade and other receivables	5	43,915	84,272
Prepayments and other assets	6	71,367	72,473
Held to maturity investments	9	628,299	523,838
Total current assets		1,386,488	1,044,004
NON-CURRENT ASSETS			
Property, plant and equipment	7	43,400	62,187
Intangible asset	8	15,442	22,854
Total non-current assets		58,842	85,041
TOTAL ASSETS		1,445,330	1,129,045
CURRENT LIABILITIES			
Trade and other payables	10	440,197	268,090
Project funds unexpended		51,086	8,814
Employee entitlement payable		25,613	5,385
Deferred income	11	30,389	27,632
Total current liabilities		547,285	309,921
NON-CURRENT LIABILITY			
Deferred income	11	17,557	46,081
Total non-current liability		17,557	46,081
TOTAL LIABILITIES		564,842	356,002
NET ASSETS		880,488	773,043
MEMBERS FUNDS			
Accumulated funds		33,420	33,420
Retained earnings		847,068	739,623
TOTAL MEMBERS' FUNDS		880,488	773,043


.....
Chairman


.....
Treasurer

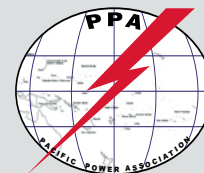
The accompanying notes form an integral part of this Statement of Financial Position.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Surplus for the year		107,445	310,521
Adjustment to reconcile net loss to net cash flows			
Depreciation and amortisation		34,384	32,926
Release of deferred income		(30,389)	(27,632)
Doubtful debts		9,349	5,972
Loss on disposal of fixed assets		-	1,840
		<u>120,789</u>	<u>323,627</u>
Change in assets and liabilities:			
Decrease /(increase) in trade receivables and other receivables		40,357	(58,753)
Decrease/(increase) in prepayments and other debtors		1,106	(26,476)
Increase/ (decrease) in trade and other payables		193,148	(231,428)
Increase/ (decrease) in employee entitlements payables		20,228	(26,083)
Increase/ (decrease) in project funds unexpended		42,272	(219,164)
Decrease in deferred income		(25,767)	-
Net cash provided by/ (used in) operating activities		<u>392,133</u>	<u>(238,277)</u>
Cash flow from investing activities			
Payment for held to maturity investment		(104,461)	(117,747)
Purchase of property, plant & equipment		(8,186)	(9,621)
Net cash (used in) investing activities		<u>(112,647)</u>	<u>(127,368)</u>
Net increase/(decrease) in cash and cash equivalents		279,486	(365,645)
Cash and cash equivalents at beginning of the year		363,421	729,066
Cash and cash equivalents at the end of the year	12	<u>642,907</u>	<u>363,421</u>

The accompanying notes form an integral part of Statement of Cash Flows.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ASSOCIATION INFORMATION

The Pacific Power Association ("the Association") was incorporated in Fiji Islands as a not-for-profit organisation set up as company limited by guarantee, and not having a share capital on 17th July 1992 under the Fiji Companies Act, 1983. The address of its registered office and principal place of business is Naibati House, Goodenough Street, Suva. 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 and to enhance the role of the power sector in the Pacific Island countries.

The Financial Statements of Pacific Power Association ("the Association") for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Executive Committee on

23 May 2019

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

These Financial Statements have been prepared under the convention of historical cost accounting and do not take into account changing money valued or current valuations of non-current assets unless stated otherwise. They are presented in the currency units of Fiji Islands.

Statement of compliance

The financial statements have been drawn up in accordance with International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board ("IASB").

2.2 Summary of significant accounting policies

a) Income tax

The Association is exempted from income tax under Section 17 (24) of the Income Tax Act.

b) Grants

Grants and subscriptions are recorded as income when due.

c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

d) Employee entitlements

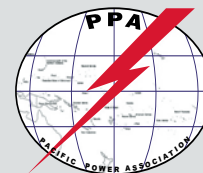
Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Association has a present obligation to pay resulting from the employees' services provided up to balance date.

Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

e) 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:



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS (*continued*)
 FOR THE YEAR ENDED 31 DECEMBER 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

e) Property, plant and equipment (*continued*)

	Rates
Office equipment	20%
Computer equipment	25%
Motor Vehicle	20%
Furniture and fittings	12.5%

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.

f) Investments

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

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. Income from investment are brought to account when earned.

g) Intangible assets

Intangible assets are purchased computer software that is stated at cost less accumulated amortization and any impairment losses. It is amortized over its estimated life of three to five years using the straight-line method.

h) Comparative figures

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

i) 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.

j) Foreign currency

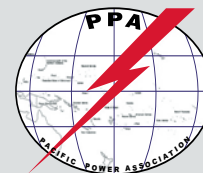
Foreign currency transactions are converted to Fiji dollars at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are translated to Fiji currency at the rates of exchange ruling at the balance sheet date. All exchange gains or losses whether realised or unrealised are reflected in the statement of comprehensive income.

k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

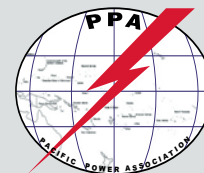
l) Trade payables

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. Payables to related parties are carried at the principal amount. Interest when charged by the lender, is recognized as an expense when incurred.



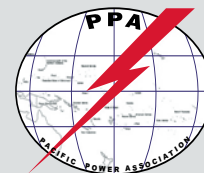
PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

3. Other Income	2018	2017
Included in other revenue are:	\$	\$
Conference registration	148,551	196,597
Sponsorship	58,966	51,049
Trade booth	35,705	58,295
Publication	64,915	54,874
Other income	59,051	59,073
	<u>367,188</u>	<u>419,888</u>
4. Other Expenses	\$	\$
(a) Personnel expenses		
Key management personnel (Note 16 (b))	490,951	464,842
Other secretariat staff salaries	46,466	40,017
Superannuation	91,284	86,646
Other personnel expenses	12,296	13,926
	<u>640,997</u>	<u>605,431</u>
(b) Depreciation		
Depreciation of property plant and equipment	<u>34,384</u>	<u>32,926</u>
Other Expenses	\$	\$
Conference expenses	141,963	123,127
Secretariat- airfares, per diems & miscellaneous	72,613	85,531
Office rental	55,041	50,277
Internet and communication	21,762	17,249
Repairs and maintenance	1,104	-
Motor vehicle expenses	7,127	13,896
Publication and subscriptions	24,626	17,147
Electricity	10,517	11,511
Legal fees	109	-
Website and networking cost	9,609	8,146
Insurance	4,022	4,359
Audit fees	6,692	4,200
Loss on disposal	-	1,841
Bank Charges	4,889	8,351
Doubtful debts	9,349	5,972
Postage and courier	6,090	8,233
Other expenses	27,113	32,648
	<u>402,626</u>	<u>392,488</u>
Total Other Expenses	<u>1,078,007</u>	<u>1,030,845</u>
5. TRADE AND OTHER RECEIVABLES	\$	\$
(a) Subscription receivables	36,394	25,560
Less: provision for doubtful debts	(15,321)	(5,972)
	<u>21,073</u>	<u>19,588</u>
(b) Receivable from World Bank	17,352	60,733
Other receivables	5,490	3,951
	<u>22,842</u>	<u>64,684</u>
Total trade and other receivables	<u>43,915</u>	<u>84,272</u>



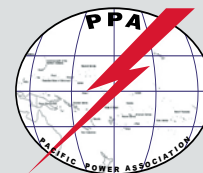
PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
6. PREPAYMENT AND OTHER ASSETS		
Refundable deposit	9,876	11,826
Prepaid expenses	34,583	32,219
Staff advances	9,949	26,370
Interest receivable	16,959	2,058
	<u>71,367</u>	<u>72,473</u>
7. PROPERTY, PLANT AND EQUIPMENT	\$	\$
<i>Computer equipment</i>		
Cost		
At 1 January	22,716	12,149
Additions	6,188	11,787
Disposal	-	(1,220)
At 31 December	<u>28,904</u>	<u>22,716</u>
<i>Depreciation and impairment</i>		
At 1 January	12,658	9,468
Annual depreciation	4,514	4,105
Disposal	-	(915)
At 31 December	<u>17,172</u>	<u>12,658</u>
Net book value	<u>11,732</u>	<u>10,058</u>
<i>Office Equipment</i>		
Cost		
At 1 January	61,224	40,961
Additions	1,250	22,184
Disposals	(315)	(1,921)
At 31 December	<u>62,159</u>	<u>61,224</u>
<i>Depreciation and impairment</i>		
At 1 January	41,474	36,291
Annual depreciation	5,930	5,567
Disposals	(315)	(384)
At 31 December	<u>47,089</u>	<u>41,474</u>
Net book value	<u>15,070</u>	<u>19,750</u>
<i>Motor Vehicle</i>		
Cost		
At 1 January	<u>82,300</u>	<u>82,300</u>
At 31 December	<u>82,300</u>	<u>82,300</u>
<i>Depreciation and impairment</i>		
At 1 January	49,921	33,461
Annual depreciation	<u>16,460</u>	<u>16,460</u>
At 31 December	<u>66,381</u>	<u>49,921</u>
Net book value	<u>15,919</u>	<u>32,379</u>



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

7. PROPERTY, PLANT AND EQUIPMENT <i>continued</i>	2018	2017
	\$	\$
<i>Furniture and fittings</i>		
Cost		
At 1 January	250	250
Additions	749	-
At 31 December	999	250
<i>Depreciation and impairment</i>		
At 1 January	250	250
Annual depreciation	70	-
At 31 December	320	250
Net book value	679	-
Total net written down value	43,400	62,187
8. INTANGIBLE ASSET	\$	\$
Opening balance	35,755	6,107
Add: Additions of intangible assets	-	29,648
Net book value	35,755	35,755
<i>Depreciation and impairment</i>		
Add: Additions of intangible assets	12,901	6,107
Write offs	-	6,794
Annual depreciation	7,412	-
At 31 December	20,313	12,901
Net book value	15,442	22,854
9. HELD TO MATURITY INVESTMENTS	\$	\$
BRED term deposit 1	200,000	206,431
BRED term deposit 2	224,924	216,270
BRED term deposit 3	203,375	101,137
Redeemed during the year	-	-
	628,299	523,838
The held to maturity investments consist of term deposits held with BRED bank for periods between 1 to 2 years at interest rates of 3.75% and 4%.		
10. TRADE AND OTHER PAYABLES	\$	\$
Bonus payable	23,138	44,364
Trade creditors and accruals	29,889	40,254
Advance membership fees	343,773	150,929
Executive director visa payable	1,951	1,266
Advance conference, publication fees & website sponsorship	41,446	31,277
	440,197	268,090



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
11 DEFERRED INCOME		
Opening balance	73,713	47,398
Add: Addition of fixed assets	1,158	53,947
Less: Release of fixed grant revenue	(30,389)	(27,632)
Add: Adjustment to align to WDV of donated assets	3,464	-
Balance as at 31 December 2018	<u>47,946</u>	<u>73,713</u>

12. 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	144	1,588
Cash at bank represented by:		
USD - 05138058	107,232	41,168
FJD-05440640	484,446	311,851
World bank- 12505317	51,085	8,814
	<u>642,907</u>	<u>363,421</u>

13. COMMITMENTS AND CONTINGENCIES

- a) There are no capital commitments as at 31 December 2018 (2017: Nil)
- b) There are no contingent liabilities as at 31 December 2018 (2017: Nil)
- c) Operating lease commitments:

Within one year	55,032	55,041
Later than a year but no later than 5 years	18,243	73,288
	<u>73,275</u>	<u>128,329</u>

The Association has a lease agreement with Kelton Investments Limited for the lease of the office space in Naibati House, Goodenough Street. A monthly rental of \$4,586 is made as per the renewed agreement which commenced on 1/05/2017 and expires on 30/04/2020. These rentals once realised have been recorded under Office rental in Note 5.

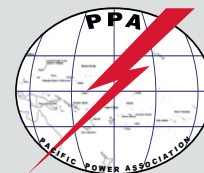
14. SEGMENT INFORMATION

a) Business Segment

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

b) Geographical Segment

The Association operates predominantly in Fiji. Its' registered office and head office is located at Naibati House, Goodenough Street, Suva, Fiji.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

15. 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. Hasmukh Patel	Chairman
Vacant	Alternate Chairman
Mr. Apili Timoti	Secretary
Mr. Pradip Verma	Alternate Secretary
Mr. Mafalu Lotolua	Treasurer
Mr. Setitala Chen	Alternate Treasurer
Vacant	Chairman Allied Members
Mr. Trevor Lord	Alternate Chairman Allied members
Mr. Andrew Daka	Executive Director

The Executive Committee members did not receive any emoluments in respect of their role as committee members (2017: Nil).

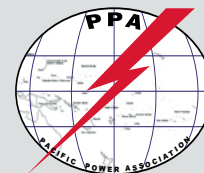
(a) Key management personnel

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

	2018 \$	2017 \$
Gross salaries and bonus	435,532	412,952
Other benefits (housing, family allowance and insurance)	55,419	51,890
	<u>490,951</u>	<u>464,842</u>

(b) Balances with related party

As at 31 December 2018 no receivable from key management personnel was due. 2017: \$26,370 was receivable due to subsequent financial period salary advanced as at year end. No other receivable or payable from related parties was identified at year end.

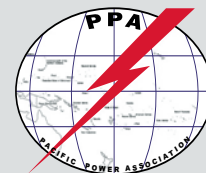


PACIFIC POWER ASSOCIATION (Limited by Guarantee)
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

Disclaimer on additional Financial Information

The additional financial information, being the attached detailed income Statement has been compiled by the management of Pacific Power Association.

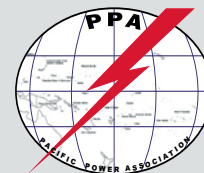
To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Pacific Power Association may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Operating income		
Subscription	787,875	893,846
Conference registration fees	148,551	196,597
Sponsorship	58,966	51,049
Trade booth	35,705	58,295
Publication	64,915	54,874
Other income	59,051	59,073
Release of fixed grant revenue	30,389	27,632
Total income	1,185,452	1,341,366
Key management personnel:		
-Gross salaries and bonus	435,532	412,952
-Other benefits (Housing, family allowance and insurance)	55,419	51,890
Other secretariat staff salaries	46,466	40,017
Superannuation	91,284	86,646
Other personnel expenses	12,296	13,926
Depreciation of property plant and equipment	34,384	32,926
Conference expenses	141,963	123,127
Secretariat- airfares, per diems & miscellaneous	72,613	85,531
Office rental	55,041	50,277
Internet and communication	21,762	17,249
Repairs and maintenance	1,104	-
Motor vehicle expenses	7,127	13,896
Publication and editorials	24,626	17,147
Electricity	10,517	11,511
Legal fees	109	-
Website and networking cost	9,609	8,146
Insurance	4,022	4,359
Audit fees	6,692	4,200
Loss on disposal	-	1,841
Security	780	688
Pest control	305	305
Printing and stationery	3,637	3,918
Bank charges	4,889	8,351
Advertising and marketing	-	1,242
Postage and courier	6,090	8,233
Doubtful debts	9,349	5,972
Other expenses	22,391	26,495
Total expenditure	1,078,007	1,030,845
Surplus for the year	107,445	310,521

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 18.



POWER UTILITIES PROVIDER

Pacific Power Association, Suva Fiji Islands.
The PPA is an inter-govenmental agency and member of the Council of Regional Organisations in the Pacific (CROP) to promote the direct cooperation of the Pacific Island Power Utilities in technical training, exchange of information, sharing of senior managment and engineering expertise and other activities of benefit to the members.

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Head office: Ground Floor, Naibati House, Goodenough Street, Suva, Fiji Islands

Mailing Address: Private Mail Bag, Suva, Fiji islands.

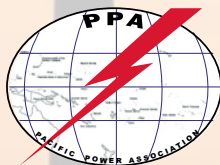
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Pacific Power Association

“Serving the Power Industry in the Pacific Islands”



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