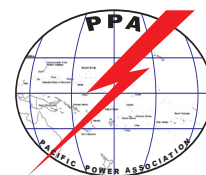


Pacific Power Association

Annual Report and Audited Financial Accounts

2019



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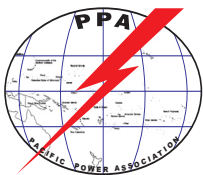
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Mission

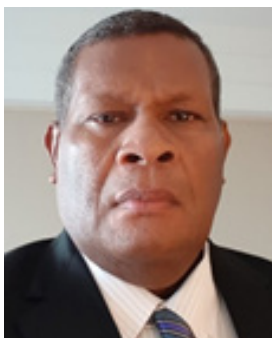
To support the Pacific Islands Country and Territory (PICT) power utilities in the provision of high quality, secure, efficient and sustainable electricity services.

Vision

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



Executive Director's Message



Ni Sa Bula Vinaka,

The information provided in the Annual Report is a summary of the Association's activities for the year 1 January to 31 December 2019.

There has been some changes in the composition of the Board during the reporting period with the election of Mr. Trevor Lord of AVO NZ Ltd as Chairman of the Allied Members with Mr. Chris Pye of ComAp as his Alternate. Furthermore, Mr. Kasio Kembo Mida Jr., CEO of CPUC Chuuk, FSM was elected Alternate Chairman of the PPA Board.

The year has been a busy one with regards to the implementation of the World Bank Sustainable Energy Industry Development Project (SEIDP) grant. All the activities associated with the grant had been implemented with signing of all relevant contracts. Under SEIDP a number of capacity building events and workshops were facilitated for the beneficiary utilities. It was also great to see that the renewable energy resource mapping activity for wind and solar finally get off the ground after much delay.

The Association appreciates the continued support of the World Bank to the PPA through the Grant. The PPA also received support from the US Department of Interior's Office of Insular Affairs (OIA) and the International Renewable Energy Agency (IRENA) for supporting a number PPA activities.

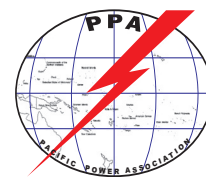
The Year 2019 saw the PPA membership numbers increase by 9 Members compared to the previous year. As always we would like to acknowledge the

continued support of the Allied Members through their membership of the Association and the resources and expertise they provide to the Utility Members of the PPA. This support also extends to sponsorships of Conference events and their participation in and the success of the Trade Exhibitions at the Conference.

Speaking of conferences, the PPA Secretariat on behalf of the PPA Board and Members would like to thank the Board, Management and Staff of Te Aponga Uira for hosting a successful 28th Annual conference and Trade Exhibition in Rarotonga, Cook Islands, from 1 – 6 July 2019. The conference which was officially opened by the Prime Minister of the Cook Islands, the Honorable Henry Puna was well attended with a total of 278 delegates attending representing the PPA Membership.

The second part of the 2019 Annual Report is the Audited Financial Accounts of the Association. The Association recorded a surplus of FJD 171,798 for the 2019 Financial Year compared to FJD107, 445 in the previous year. The audited Financial Accounts are included in the report for members' perusal.

Andrew Daka
Executive director

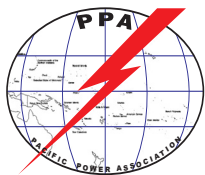


1. PPA BOARD AND GOVERNANCE

1.1 Board Membership

There was a change in the composition of the Pacific Power Association Board in the 2019 Fiscal Year with Mr. Kasio Kemba Mida Jr. being appointed as the Alternate PPA Chairman. The Board of Directors of the Association as at 31st December 2019:

Chief Executive	Utility
Mr. Wallon Young	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, USA.
Mr. Fred Skilling	Kosrae Utility Authority, Kosrae, FSM.
Mr. Joseph Pedro	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	Palau Public Utilities Corporation, Palau.
Mr. Pradip Verma	Solomon Power, 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	Chairman, Allied Members
Mr. Andrew D. Daka	Executive Director



1.2 Executive Committee

The Executive Committee membership as at 31st December 2019:

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. Trevor Lord	AVO NZ Limited	2019-2022
Executive Director, PPA	Mr. Andrew Daka	PPA Secretariat	2017-2020

The Alternate members of the Executive Committee as at 31st December 2019:

Position	Incumbent	Organization	Term
Alternate Chairman	Kasio Kemba Mida Jr.	CPUC, Chuuk, FSM	2019-2022
Alternate Secretary	Mr. Pradip Verma	Solomon Power, Solomon Islands	2018-2021
Alternate Treasurer	Mr. Setitaia Chen	Tonga Power Ltd, Tonga	2018-2021
Alternate Chairman, Allied Members	Mr. Christopher Pye	ComAp Ltd	2019-2022

1.3 Board /AGM/ Executive Meetings

The following Pacific Power Association governing council related meetings were held in 2019 during the 28th Annual Conference:

Meeting	Venue	Date
Executive Committee Meeting 2019	Rarotonga, Cook Islands	30 June 2019
Allied Members Meeting 2019	Rarotonga, Cook Islands	1 July 2019
Board Meeting 2019	Rarotonga, Cook Islands	2 July 2019
Annual General Meeting 2019	Rarotonga, Cook Islands	5 July 2019

2. PPA SECRETARIAT

2.1 Secretariat Staffing

The staffing level of the Secretariat as at 31st December 2019 as shown below. This includes 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	Judy Yuen	Accountant

4	Reena Suliana	Administrative Officer
5	Philip Silatolu	Administrative Clerk/Driver
6	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



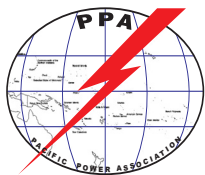
2.2 Office Accommodation & Assets

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.

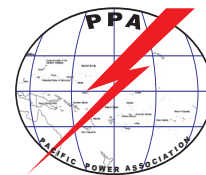
2.3 Meetings and Conferences

The Executive Director and members of the PPA Secretariat staff attended the following meetings, forums, workshops and conferences during 2019. 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
9 th Session of IRENA Assembly, Abu Dhabi, UAE	PPA	10-13 January	Executive Director
World Future Energy Seminar, Abu Dhabi, UAE	PPA	14-16 January	Executive Director
WB Benchmarking Training, Suva, Fiji	SEIDP	28-31 January	PIO, EE & Admin Officer



Micronesian Leaders Meeting, Koror, Palau	PPA	20-21 February	Executive Director
PIFS – EU ACP – High Level Meeting, Apia, Samoa	PPA	25-26 February	Deputy Executive Director
Hawaii Energy Conference, Kahului, Hawaii	PPA	27-28 March	Executive Director
Australian Energy Storage, Sydney, Australia	PPA	12-14 June	Executive Director
Asia Clean Energy Forum, Manila, Philippines	PPA	17-20 June	Executive Director
PPA Annual Conference, Rarotonga, Cook Islands	PPA	1-5 July	Executive Director, Deputy Executive Director, Administrative Officer & Accountant
The World Bank Survey, Port Moresby, Alatau, Weno, Chuuk, FSM & Koror, Palau	SEIDP	23 July – 4 August	Executive Director, PIO
50 th PIF Leaders Meeting to CROP, Funafuti, Tuvalu	PPA	10-17 August	Deputy Executive Director
USP/UNSW: Sustainable Electricity Access in Pacific Islands, The Pearl South Pacific, Fiji	PPA	29-30 August	Executive Director
PIFS – Pacific Quality Infrastructure Initiative, Nadi, Fiji	PPA	2-6 September	Executive Director
CARILEC – Renewable Energy & Smart Grid Meeting, Miami, USA	PPA	14-19 September	Executive Director
4 th Pacific Regional Energy & Transport Ministers Meeting, Apia, Samoa	PPA /SEIDP	15-20 September	Deputy Executive Director, SEIDP Project Implementation Officer
PIFS Meeting, New York, USA	PPA	22 September	Executive Director
Pre-Conference Visit, Kolonia, Pohnpei	PPA	6-11 October	Executive Director & Deputy Executive Director
IRENA – Pacific Islands Renewable Energy Statistics Training, Nadi, Fiji	IRENA	22-25 October	Executive Director
WB Mission, Suva, Fiji	SEIDP	28-29 October	Executive Director & Deputy Executive Director
WB – BIXPO Energy Forum, Gwanju, Korea	SEIDP	6-8 November	Executive Director
IPS Connect 2019, Hobart, Australia	PPA	11-15 November	Executive Director



Global Corporation & Training Framework (GCTF), Taipei, Taiwan	ROC, Taipei	20-22 November	Executive Director
CROP Heads Meeting, Suva, Fiji	PPA	18 November	Executive Director
IRENA – Capacity Building on PPA for Pacific SIDS, Nadi, Fiji	IRENA	25-29 November	Executive Director & Deputy Executive Director

3. TRAINING AND WORKSHOPS

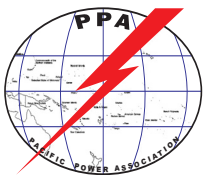
The following training workshops have been facilitated for the PPA Member Utilities which are beneficiaries under the projects. However, non-beneficiary utilities have also taken advantage of the availability of these training to send their staff to attend as well either through self-funding or with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

Workshops Facilitated	Funded By	Dates	No. of Participants
Variable Renewable Energy (VRE) Study Inception Meeting, Nadi, Fiji	SEIDP	4-8 February	28
Power Purchase Agreement, Nadi, Fiji	SEIDP	1-5 April	36
Inception Mission Workshop, Nadi, Fiji	SEIDP	11-12 June	14
TAG Meeting, Rarotonga, Cook Islands	SEIDP	29-30 June	5
Benchmarking Workshop, Rarotonga, Cook Islands	WB/SEIDP	1-5 June	15
Project Management Workshop, Nadi, Fiji	SEIDP/IRENA	23-27 Sept	30
Implementation Guidelines Workshop, Samoa	SEIDP	18-22 November	PIO
TA to develop investment plans to enhance resilience in Pacific Utilities, Suva, Fiji	SEIDP	12-13 December	3 – PPA Office 3 – Joined via Skype Call

4. PPA MEMBER SERVICES

It is the PPA's objective to continue to strive to provide an appropriate range of services to all its members, Active and Allied. For its utility Members, it focuses on training and facilitating advisory services and being able to put the members in touch with the right people. PPA continues to explore opportunities to collaborate with other organizations to improve services for the members. PPA also looks to continue 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.



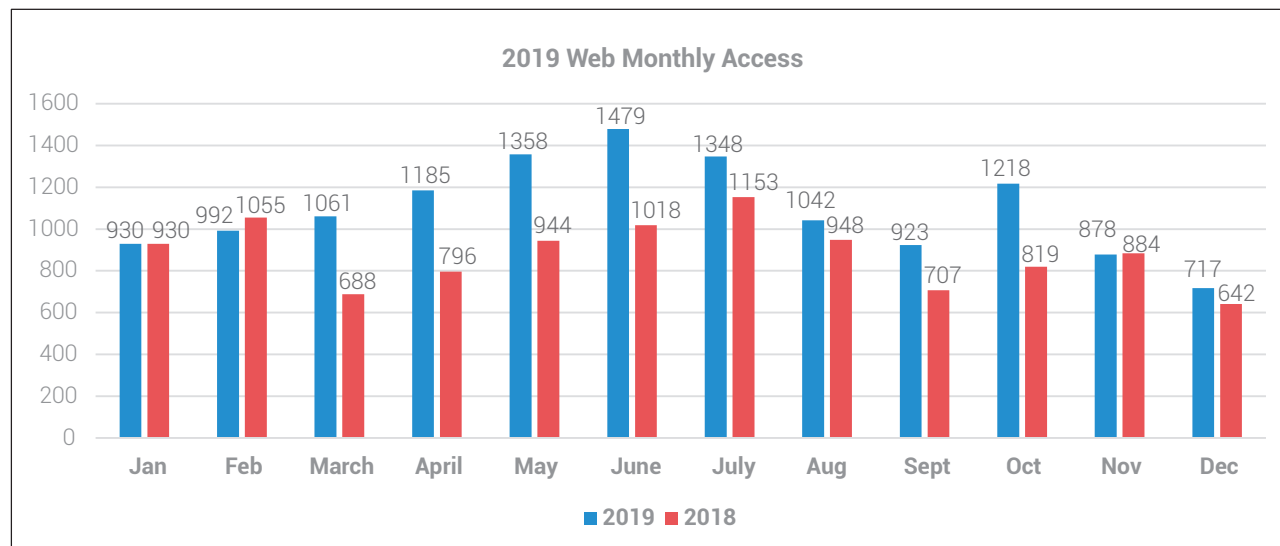
4.1 Specialist Services to the Secretariat

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 2019:

Company / Individual	Services rendered
Dr. Herb Wade	Moderator for the Board Members' Workshop during the 28 th Annual PPA Conference in Rarotonga, Cook Islands.
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.
Ernst & Young Chartered Accountants	Audit of PPA 2018 Annual Accounts.
Viti Technology Solutions Ltd	Computer Network Support

4.2 PPA Website

The number of visitors to our website has increased from 10,584 in 2018 to 13,131 in 2019 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 28th Annual PPA Conference

A total of 278 delegates representing 19 utilities, 69 companies and 7 affiliates' organisations registered to attend the conference held in Rarotonga, Cook Islands. The 2019 Annual PPA Conference & Trade Exhibition was hosted by Te Aponga Uira (TAU) from 1-5 July, 2019. It was the third time TAU hosted the PPA Conference.

PPA was privileged to have the Prime Minister of Cook Islands, Honorable Henry Puna, officially open the PPA Conference with Mr. Justin Locke, the Director of the Rocky Mountain Institute's Empowering Clean Economies

and Islands Energy Program, delivering the keynote address. There were 44 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.



PPA 28th Conference AGM 2019



PPA 28th Conference Allied Members Meeting



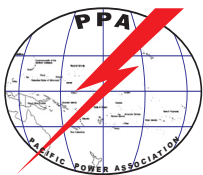
PPA 28th Conference Networking Day



PPA 28th Conference Speed Networking



PPA 28th Conference Engineers Workshop



4.4 Pacific Power Magazine

The Pacific Power Association has a flagship magazine that it publishes quarterly. In 2019 PPA published following issues of the magazine: -

- Volume 27 No. 1 – issued March 2019
- Volume 27 No. 2 – issued June 2019
- Volume 27 No. 3 – issued September 2019
- Volume 27 No. 4 – issued December 2019

The publication is possible through the support of our Allied Members.

4.5 Other PPA Brochures & Publications

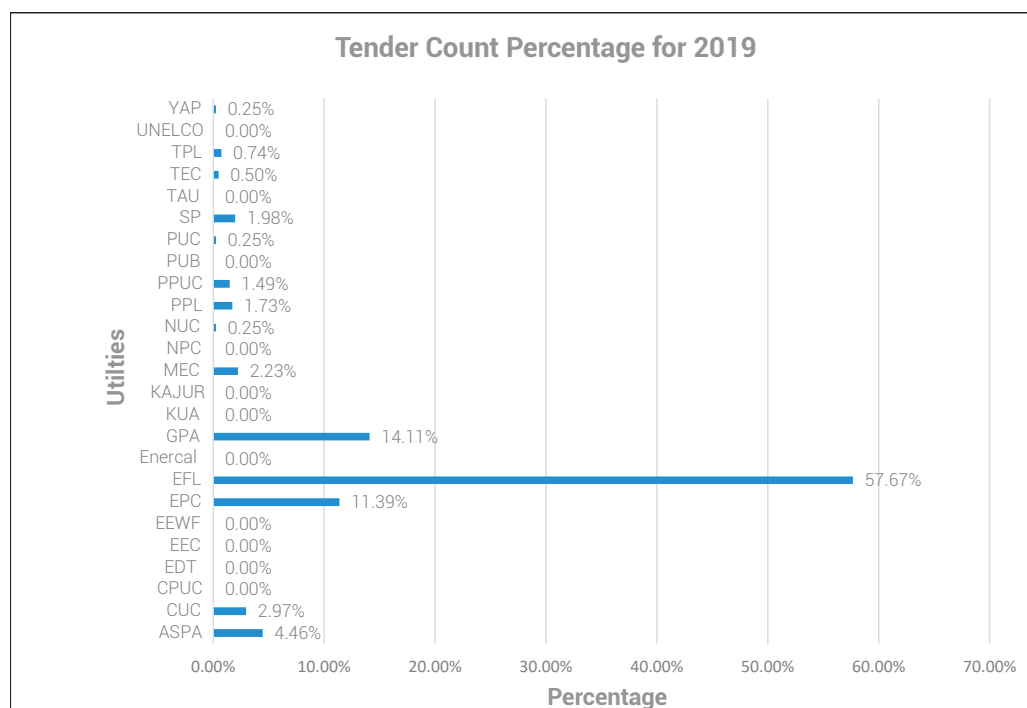
The Secretariat produced the following publications during 2019: -

- 2020 PPA Calendar
- 2020 PPA Members Directory

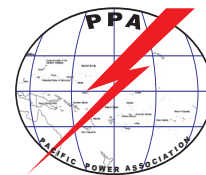
4.6 Tender & Quotations

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 2019.

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



Total number of Tenders and Quotations: 404
 Percentage based on: 100%



5. MEMBERSHIP REPORT

The total membership of the Pacific Power Association as at 31 December 2019 was 161 comprising 25 Active Members, 114 Allied Members and 23 Affiliate Members. This is a net increase of 9 from the previous year. This increase is mainly in the Allied Member category with new organizations joining the Association, whilst other categories have remained unchanged.

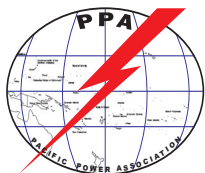
Member	Membership As at Dec 18	Membership As at Dec 19	Increase (Decrease)
Active	25	25	0
Allied	105	114	9
Affiliates	23	23	0
Total	153	162	9

The following changes in membership were recorded for the year 2019:

Cancelled Active Memberships - nil	New Allied Memberships - 19
Cancelled Allied Memberships - 10	New Affiliate Members - nil

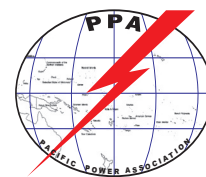
Details of New Allied Membership and Cancellation

New Allied Memberships		Cancelled Allied Memberships	
1.	Datelstream Limited	1.	Agility CIS Ltd
2.	PowerSmart Limited	2.	Australian Winders
3.	Gentrack Limited	3.	EPC International Pty Ltd
4.	Skyward Power Controls	4.	Greenbox Energy Pty Ltd
5.	HNAC Technology Co. Limited	5.	Jacobs Group (Australia) Pty Ltd
6.	Texas Power & Associates, LLC	6.	Maclean Power
7.	Japan Electric Power Information Centre	7.	Pavilion Gas Pte. Ltd
8.	Engine Supplies & Service Pty Ltd	8.	SK B&T
9.	CCME Marine Engineering Power	9.	Trina Energy Storage Solutions
10.	EIF International Limited	10.	Xant NV
11.	Intracor Commodity Exports Limited		
12.	Institute for Environmental Analytics		
13.	Tekconnec Inc.		
14.	Tetra Tech		
15.	Southern California Edison		
16.	OTEL Onehunga Transport Engineering Limited		
17.	South Pacific Turbochargers NZ (2018) Ltd		
18.	Green Globe Solutions American Samoa Inc.		
19.	Protech Power International Pty Ltd		



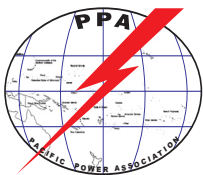
The Active Members Listing as at 31 December 2019:

	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



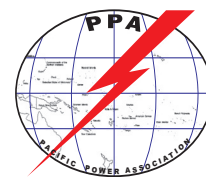
The Allied Members Listing as at 31 December 2019:

	Allied Members	Country		Allied Members	Country
1.	AB Industries	New Zealand	32.	Eaton Industries Pty Ltd	Australia
2.	ABB Turbochargers Australia Pty Ltd	Australia	33.	EDMI Pty Ltd	Australia
3.	ABB Limited	New Zealand	34.	EIF International Ltd	New Zealand
4.	Acclinks Communications Inc.	P.R.CHINA	35.	ElectraTherm	USA
5.	Aco Polycrete Pty Ltd	Australia	36.	Energy Power Systems Australia Pty Ltd	Australia
6.	AR Industrial	Australia	37.	Engine Supplies & Services	Australia
7.	Aggreko New Zealand Limited	New Zealand	38.	Ergon Energy	Australia
8.	Akuo Energy Pacific	Australia	39.	ETEL Limited	New Zealand
9.	Alfa Laval Australia Pty Ltd	Australia	40.	Exact360TD	Guam
10.	America's Best Electric Mart	Guam	41.	Fiji Gas	Fiji
11.	AMP Control	Australia	42.	FSM Petroleum Corporation	FSM
12.	Andritz Hydro	New Zealand	43.	FuelChief Trustee Limited	New Zealand
13.	Arthur D. Riley & Co Ltd	New Zealand	44.	Generator Rental Services	New Zealand
14.	AVO NZ Ltd	New Zealand	45.	Gentrack Limited	New Zealand
15.	Balance Utility Solutions	Australia	46.	Global Sustainable Energy Solutions	Australia
16.	B&R Enclosures Pty Ltd	Australia	47.	Global Turbocharger Solutions	United Kingdom
17.	Bardot Ocean	France	48.	Gough Cat Power Systems	New Zealand
18.	Benson Guam Enterprises, Inc.	Guam	49.	Green Globe Solutions American Samoa Inc.	American Samoa
19.	Busck Prestressed Concrete Ltd	New Zealand	50.	Harelec Services	Australia
20.	Canadian Solar	USA	51.	Hatz Diesel Australia	Australia
21.	Carpenters Motors T/A Carptrac	Fiji	52.	Hawker Siddeley Switchgear Pty Ltd	Australia
22.	CBS Power Solutions	Fiji	53.	Hawthorne Power Systems	USA
23.	CCME Marine Engineering Power	Australia	54.	HNAC Technology Co. Ltd	China
24.	Clean Energy Technologies Inc.	USA	55.	Hubbell Power Systems, Inc. (Asia Pacific)	Philippines
25.	ComAp Ltd	Australia	56.	Hydro Tasmania	Australia
26.	Cummins South Pacific	Australia	57.	I S Systems	Australia
27.	Dateline Exports Inc.	USA	58.	Infratec	New Zealand
28.	Datelstream Ltd	New Zealand	59.	Institute for Environmental Analytics	England
29.	Delstar New Zealand Ltd	New Zealand	60.	International Utility Poles	Australia
30.	DNV GL	USA			
31.	Dominion Wire & Cables Ltd	Fiji			



	Allied Members	Country
61.	Intracor Commodity Exports Ltd	New Zealand
62.	IP&E Holdings, LLC	USA
63.	Itron Australasia Pty Ltd	Australia
64.	Japan Electric Power Information Centre	Japan
65.	Jean Mueller New Zealand Ltd	New Zealand
66.	Komai Haltec Inc.	Japan
67.	Koppers Wood Products Pty Ltd	Australia
68.	Man Energy & Turbo Australia Pty Ltd	Australia
69.	Maskell Productions Ltd	New Zealand
70.	McMahon Limited	New Zealand
71.	Monje Exports	USA
72.	MPower Group	New Zealand
73.	MTQ Engine Systems (Australia) Pty Ltd	Australia
74.	Nan Electrical Cable Australia Pty Ltd	Australia
75.	Nexans Olex	New Zealand
76.	NZ Marine Turbochargers Ltd	New Zealand
77.	Oceangas Services Australia Pty Ltd	Switzerland
78.	OHM International Corporation	USA
79.	Optimal Group Australia Pty Ltd	Australia
80.	Origin Energy	Australia
81.	OTEL Onehunga Transport Engineering Ltd	New Zealand
82.	Pacific Bulk Fuel Ltd	New Zealand
83.	Pacific Energy SWP Ltd	Vanuatu
84.	Pacific Power Engineering Pty Ltd	Australia
85.	Pernix Group, Inc.	USA
86.	Petroleum & Gas Company Fiji	Fiji
87.	PLP Electropar NZ Ltd	New Zealand

	Allied Members	Country
88.	Power Protection Industries	Australia
89.	PowerSmart NZ Ltd	New Zealand
90.	Protech Power Industries	Australia
91.	S&C Electric Company	Australia
92.	Schweitzer Engineering Laboratories	New Zealand
93.	Selectronic Australia Pty Ltd	Australia
94.	Siemens Ltd	Australia
95.	Skyward Power & Controls Ltd	New Zealand
96.	SMA Australia Pty Ltd	Australia
97.	South Austral Pty Ltd	Australia
98.	South Pacific Turbochargers NZ	New Zealand
99.	Southern California Edison	USA
100.	STAMFORD-AvK	Australia
101.	Sulzer Australia Pty Ltd	Australia
102.	Sunergise International Ltd	Fiji
103.	Tekconec Inc	American Samoa
104.	Tesla	USA
105.	Tetra Tech	
106.	Texas Power & Associates	USA
107.	The Energy Network (Aust) Pty Ltd	Australia
108.	Total Oil Asia Pacific Pte Ltd	Singapore
109.	TransDiesel Ltd	New Zealand
110.	Transnet NZ Limited	New Zealand
111.	Vergnet SA	France
112.	Wartsila Australia Pty Ltd	Australia
113.	Winson Oil Trading Pte Ltd	Taiwan
114.	Zero-Carbon Island Corporation Ltd	Fiji



The Affiliate Members Listing as at 31 December 2019:

	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	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)	Fiji
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

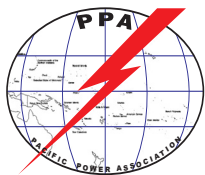
6. PROJECT ACTIVITIES

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

2019 Project Progress

The SEIDP has achieved most of its objectives as it heads into the final year of its 5 year lifespan. However, delays in the procurement process for the Solar and Wind measurement campaign means that this activity won't be completed by the current project end date of August 2020. The PPA submitted a request in September

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.



2018 to the World Bank for an extension to the project deadline to allow for the completion of some of the activities that are still ongoing. The COVID-19 pandemic has also impacted on the delivery of the remaining activities and this has also been factored into the discussions with WB on the project extension.

The progress of some of the key project activities in 2019 are highlighted below.

- The contract to carry out the Solar and Wind Measurement Campaign was awarded to the joint venture between 3E N.V of Belgium and GeoSUN South Africa in March 2019. An inception workshop held in Nadi, Fiji in June 2019 which was facilitated by the consultants and in attendance were the focal points from the various utilities involved in this campaign to install high quality measurement equipment to collect solar and wind data. The consultants carried out site surveys immediately after the inception workshop to identify potential sites for installation of the equipment in consultation with the local utilities. Solar stations will collect data for a period of 24 months while LIDAR units which collect wind data for a minimum period of 12 months before it is moved to another location. Data will be made available on the PPA website as well as the World Bank data portal. The installation of the stations started in January 2020 and most have been commissioned by the end of March 2020 except for a few that have been impacted by the travel restrictions due to the COVID-19 pandemic.
- The first round of in-country workshops as part of the Renewable Energy and Energy Efficiency Guidelines and competency standards activity being conducted by GSES Pty Ltd was completed in 2019. The second round of workshops started in July for the southern utilities with the northern utilities scheduled for the beginning of 2020. This has also been affected by the travel restrictions associated with COVID-19 and discussions are underway on how the remaining workshops can be delivered. In addition to the in-country workshops carried out in 12 countries, this assignment has so far delivered the following:
 - Updated versions of 4 pre-existing guidelines and development of 7 new guidelines which are now available on the PPA website;
 - Developed 17 unit standards with 12 of them being accredited through the regional Educational Quality and Assessment Programme and on the Pacific Register of Qualifications and Standards.
- The PPA Strategic Plan 2018-2023 was endorsed by the member utilities at the PPA Annual Conference in July 2019. The preparation of the new strategic plan was funded under the project. Based on priority areas identified in the new strategic plan, a concept paper was prepared with the support from the WB to seek additional funding to expand the scope of the current project. PPA will seek the support from not only the World Bank but also other development partners to implement some of the identified activities in this concept paper. Some of the identified areas for inclusion in an expanded project scope include gender, disaster risk management and electric vehicles. The PPA will continue discussions with the World Bank on the concept paper later in 2020.
- A new online benchmarking application for collecting utility data and benchmarking has been developed for the PPA and its members. This was officially launched at the PPA Annual Conference in the Cook Islands in July 2019. A training workshop for utility staff on the use of the application was conducted by a representative from the RMSI Ltd. Utilities can now enter their data online through the web application and will also be able to carry out different benchmarking analysis using data that has been shared by other utilities. Future Annual PPA Benchmarking reports will now be prepared using the data collected through the online application.
- Several capacity building activities were carried out in 2019 under the project. These included - A stakeholder consultation and training on VRE grid integration; training workshop on Project management for utility RE projects; a training workshop on the use of the new online benchmarking application and a joint regional workshop with IRENA on Power Purchase Agreements. The project also supported the participation of two of its Gender champions Ms. Tei Nia of TAU and Ms. Edna Noga of ASPA in the first World Bank regional

workshop for Women in the Power Sector held in Kathmandu, Nepal in February 2019. Project funding also allowed PPA secretariat staff to participate in workshop on project management and financial management conducted by local educational institutions. The in-country workshops on the technical guidelines are also continuing.

- SMEC Pty International Ltd has been engaged by the PPA to provide Technical Assistance to develop investment plans to enhance energy resilience in Pacific utilities as part of the projects Disaster Risk Management activities. EPC, PPL and TEC have been selected to participate in this study after submitting requests for expressions of interest to the PPA secretariat. The consultants will prepare case studies for the selected utilities as well as templates that could be used by other member utilities to prepare their own investment plans.
- The PPA with the support from the WB has put together a Memorandum of Understanding for a disaster recovery program among Pacific power utilities. The proposed program and MOU has been prepared in response to requests from utilities and is based on PPA's experience as well as similar regional initiatives. The WB's Disaster Risk Management hub has provided guidance and funding in the development of this MOU. The MOU outlines an understanding on how utilities can co-operate and coordinate assistance to each other following a disaster. The MOU was shared and discussed among the utilities during the PPA Annual Conference 2019 and several utilities have committed to this voluntary program by signing the MOU. Utilities that have not yet signed up to the MOU can still participate by contacting the secretariat.

Discussions are continuing between the PPA and the World Bank on the extension to the end date for the project. The travel restrictions due to the COVID-19 pandemic has further impacted the delivery schedule for the Solar and Wind measurement campaign as well as some of the remaining activities which were due for completion by August 2020.



CEOs BIXPO - Korea 3



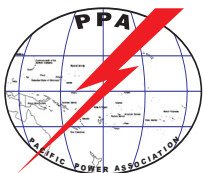
WB - PPA Workshop



IRENA-Round Table

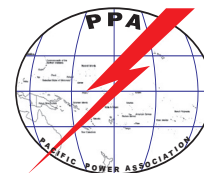
7. FINANCIAL REPORT

The following section of this Annual Report deals with the financial report of the Association for the period from 1 January 2019 to 31 December 2019 as audited by the external auditor, Ernst & Young.



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 2019**



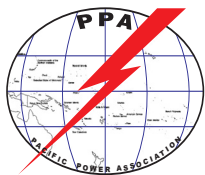
PACIFIC POWER ASSOCIATION (Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE COMMITTEE MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with a resolution of the Executive Committee, the Members herewith submit the statement of financial position of Pacific Power Association ("the Association") as at 31 December 2019, 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 Committee

Executive Committee Members at the date of this report are:

<u>Name:</u>	<u>Position held:</u>
Mr. Hasmukh Patel	Chairman
Mr. Kasio Kembo Mida Jr (appointed on 2nd July 2019)	Alternate Chairman
Mr. Apii Timoti	Secretary
Mr. Pradip Verma	Alternate Secretary
Mr. Mafalu Lotolua	Treasurer
Mr. Setitaia Chen	Alternate Treasurer
Mr. Trevor Lord (appointed on 2nd July 2019)	Chairman Allied Members
Mr. Christopher Pye (appointed on 1st July 2019)	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 2019 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 \$171,798 (2018: \$107,445).

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

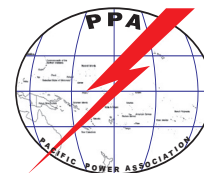
Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of these financial statements is not expected to be material.

Apart from the above, 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.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE COMMITTEE MEMBERS' REPORT continued
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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

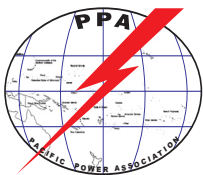
Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Members, the results of the operations of the Association during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature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



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE COMMITTEE MEMBERS' REPORT continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Auditor's Independence

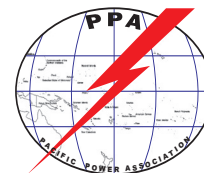
The Executive Committee Members have obtained an independence declaration from the Association's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Executive Committee Members on page 6.

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

Dated this 30th day of March 2020.

Chairman

Treasurer



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
EXECUTIVE COMMITTEE MEMBERS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2019


This Executive Committee Members' Declaration is required by the Companies Act 2015.

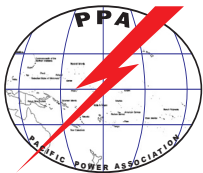
- (a) in the Executive Committee Members' opinion, the financial statements and notes of the Company for the financial year ended 31 December 2019;
 - (i) give a true and fair view of the financial position of the Association as at 31 December 2019 and of the performance of the Association for the year ended 31 December 2019;
 - (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 Executive Committee Members' 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 Executive Committee.

Dated this 30th day of March 2020.


.....
Chairman


.....
Treasurer



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Level 7
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AUDITOR'S INDEPENDENCE DECLARATION TO THE EXECUTIVE COMMITTEE MEMBERS OF PACIFIC POWER ASSOCIATION

As lead auditor for the audit of Pacific Power Association for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

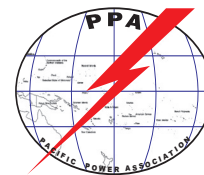
- (a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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


Ernst & Young
Chartered Accountants


Sikeli Tuinamuana
Partner
Suva, Fiji

30 March 2020



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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 2019, 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 2019, 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.

Emphasis of Matter: Subsequent Events – Impact of the Coronavirus (COVID-19) Outbreak

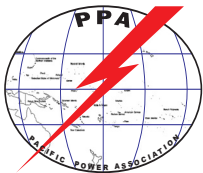
We draw attention to Note 16 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Executive Committee Members in the preparation of the financial report. As set out in Note 16, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

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.



INDEPENDENT AUDITOR'S REPORT continued

Auditor's Responsibilities for the Audit of the Financial Statements

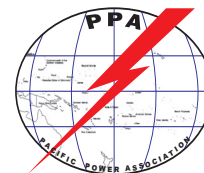
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

- 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.



INDEPENDENT AUDITOR'S REPORT continued

Report on Other Legal and Regulatory Requirements

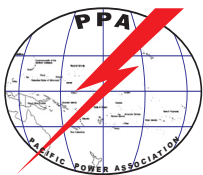
In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

- 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
Chartered Accountants


Sikeli Tuinamuana
Partner
Suva, Fiji

30 March 2020

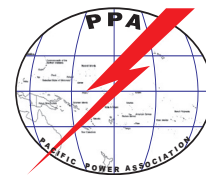


PACIFIC POWER ASSOCIATION (Limited by Guarantee)
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Subscription		876,473	787,875
Other income	3	417,483	367,188
Total operating income		<u>1,293,956</u>	<u>1,155,063</u>
Other expenses	4	(1,153,385)	(1,078,007)
Operating profit from operations		<u>140,571</u>	<u>77,056</u>
Release of fixed grant revenue	11	31,227	30,389
Surplus for the year		<u>171,798</u>	<u>107,445</u>
Members' funds at beginning of the year		880,488	773,043
Members' funds at end of the year		<u>1,052,286</u>	<u>880,488</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 and Retained Earnings.



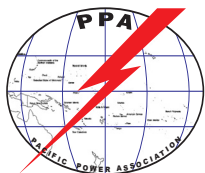
PACIFIC POWER ASSOCIATION (Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	12(a)	725,391	642,907
Trade and other receivables	5	22,341	43,915
Prepayments and other assets	6	82,767	71,367
Held to maturity investments	9	748,548	628,299
Total current assets		<u>1,579,047</u>	<u>1,386,488</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	45,032	43,400
Intangible asset	8	8,030	15,442
Total non-current assets		<u>53,062</u>	<u>58,842</u>
TOTAL ASSETS		<u>1,632,109</u>	<u>1,445,330</u>
CURRENT LIABILITIES			
Trade and other payables	10	493,467	440,197
Project funds unexpended	12(b)	22,338	51,086
Employee entitlement payable		25,654	25,613
Deferred income	11	31,227	30,389
Total current liabilities		<u>572,686</u>	<u>547,285</u>
NON-CURRENT LIABILITY			
Deferred income	11	7,137	17,557
Total non-current liability		<u>7,137</u>	<u>17,557</u>
TOTAL LIABILITIES		<u>579,823</u>	<u>564,842</u>
NET ASSETS		<u>1,052,286</u>	<u>880,488</u>
MEMBERS' FUNDS			
Accumulated funds		33,420	33,420
Retained earnings		<u>1,018,866</u>	<u>847,068</u>
TOTAL MEMBERS' FUNDS		<u>1,052,286</u>	<u>880,488</u>


Chairman


Treasurer

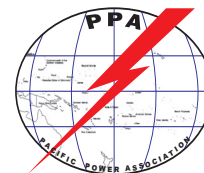
The accompanying notes form an integral part of this Statement of Financial Position.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Surplus for the year		171,798	107,445
<u>Adjustment to reconcile net surplus to net cash flows</u>			
Depreciation and amortisation		36,379	34,384
Release of deferred income		(31,227)	(30,389)
Doubtful debts		-	9,349
		<u>176,950</u>	<u>120,789</u>
<u>Change in assets and liabilities:</u>			
Decrease in trade receivables and other receivables		21,573	40,357
(Increase)/decrease in prepayments and other debtors		(11,400)	1,106
Increase in trade and other payables		53,270	193,148
Increase in employee entitlements payables		41	20,228
(Decrease)/increase in project funds unexpended		(28,748)	42,272
Increase/(decrease) in deferred income		21,645	(25,767)
Net cash provided by operating activities		<u>233,331</u>	<u>392,133</u>
Cash flow from investing activities			
Payment for held to maturity investment		(120,249)	(104,461)
Purchase of property, plant & equipment		(30,598)	(8,186)
Net cash used in investing activities		<u>(150,847)</u>	<u>(112,647)</u>
Net increase in cash and cash equivalents		82,484	279,486
Cash and cash equivalents at beginning of the year		642,907	363,421
Cash and cash equivalents at the end of the year	12(a)	<u><u>725,391</u></u>	<u><u>642,907</u></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 2019

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 2019 were authorised for issue in accordance with a resolution of the Executive Committee on 30 March 2020.

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

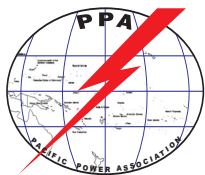
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

d) Employee entitlements

Employee entitlements relating to wages, salaries, annual leave and sick leave 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.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

2.2 Summary of significant accounting policies continued

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:

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 donated and 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

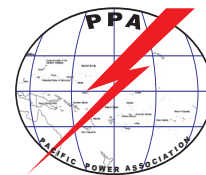
Comparative figures have been amended where necessary, for changes in presentation in the current year.

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.



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS continued
 FOR THE YEAR ENDED 31 DECEMBER 2019

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

2.2 Summary of significant accounting policies continued

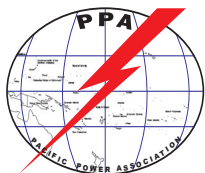
k) Cash and Cash Equivalents

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

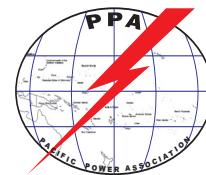
Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Payables to related parties are carried at the principal amount. Interest when charged by the lender, is recognized as an expense when incurred.

3. Other Income	2019	2018
Included in other revenue are:	\$	\$
Conference registration	173,168	148,551
Sponsorship	85,706	58,966
Trade booth	46,064	35,705
Publication	38,745	64,915
Other income	73,800	59,051
	<u>417,483</u>	<u>367,188</u>
4. Other Expenses	\$	\$
(a) Personnel expenses		
Key management personnel (Note 15 (b))	510,127	490,951
Other secretariat staff salaries	50,862	46,466
Superannuation	96,550	91,284
Other personnel expenses	11,943	12,296
	<u>669,482</u>	<u>640,997</u>
(b) Depreciation		
Depreciation of property plant and equipment	<u>36,379</u>	<u>34,384</u>



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

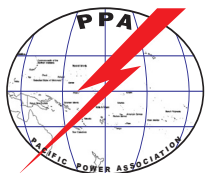
	2019	2018
4. Other Expenses continued	\$	\$
(c) Other operating expenses		
Audit fees	6,066	6,692
Bank charges	4,418	4,889
Conference expenses	180,105	141,963
Doubtful debts	22,238	9,349
Electricity	10,224	10,517
Insurance	2,579	4,022
Internet and communication	22,267	21,762
Legal fees	109	109
Motor vehicle expenses	10,068	7,127
Office rental	55,040	55,041
Other expenses	21,565	27,113
Postage and courier	6,630	6,090
Publication and subscriptions	26,290	24,626
Repairs and maintenance	-	1,104
Secretariat - airfares, per diems & miscellaneous	69,856	72,613
Website and networking cost	10,069	9,609
	<u>447,524</u>	<u>402,626</u>
Total other expenses	<u>1,153,385</u>	<u>1,078,007</u>
5. TRADE AND OTHER RECEIVABLES	\$	\$
(a) Subscription receivables	48,359	36,394
Less: provision for doubtful debts	(37,497)	(15,321)
	<u>10,862</u>	<u>21,073</u>
(b) Receivable from World Bank	11,479	17,352
Other receivables	-	5,490
	<u>11,479</u>	<u>22,842</u>
Total trade and other receivables	<u>22,341</u>	<u>43,915</u>
6. PREPAYMENT AND OTHER ASSETS	\$	\$
Refundable deposit	9,976	9,876
Prepaid expenses	42,777	34,583
Staff advances	11,390	9,949
Interest receivable	18,624	16,959
	<u>82,767</u>	<u>71,367</u>



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

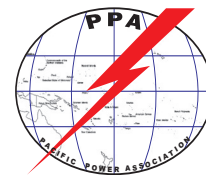
7. PLANT AND EQUIPMENT

	Computer equipment	Office equipment	Motor vehicle	Furniture and fittings	Total
Cost	\$	\$	\$	\$	\$
At 1 January 2018	22,716	61,224	82,300	250	166,490
Additions	6,188	1,250	-	749	8,187
Disposals	-	(315)	-	-	(315)
At 31 December 2018	28,904	62,159	82,300	999	174,362
Additions	2,599	23,404	-	4,595	30,598
Disposals	(4,887)	(19,279)	-	-	(24,166)
At 31 December 2019	26,616	66,284	82,300	5,594	180,794
Depreciation					
At 1 January 2018	12,658	41,474	49,921	250	104,303
Depreciation charge for the year	4,514	5,930	16,460	70	26,974
Disposals	-	(315)	-	-	(315)
At 31 December 2018	17,172	47,089	66,381	320	130,962
Depreciation charge for the year	4,981	7,399	15,919	668	28,967
Disposals	(4,887)	(19,280)	-	-	(24,167)
At 31 December 2019	17,266	35,208	82,300	988	135,762
<u>Net book value:</u>					
At 31 December 2019	9,350	31,076	-	4,606	45,032
At 31 December 2018	11,732	15,070	15,919	679	43,400



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
8. INTANGIBLE ASSET		
At 1 January	35,755	35,755
At 31 December	35,755	35,755
Depreciation and impairment		
At 1 January	20,313	12,901
Annual depreciation	7,412	7,412
At 31 December	27,725	20,313
Net book value	8,030	15,442
9. HELD TO MATURITY INVESTMENTS	\$	\$
BRED term deposit 1	206,300	200,000
BRED term deposit 2	232,009	224,924
BRED term deposit 3	310,239	203,375
	748,548	628,299
The held to maturity investments consist of term deposits held with BRED bank for 12 months at interest rates of 3.6% and 4.5%.		
10. TRADE AND OTHER PAYABLES	\$	\$
Bonus payable	23,168	23,138
Trade creditors and accruals	40,939	29,889
Advance membership fees	395,348	343,773
Executive director visa payable	3,498	1,951
Advance conference, publication fees & website sponsorship	30,514	41,446
	493,467	440,197
11. DEFERRED INCOME	\$	\$
Opening balance	47,946	73,713
Add: addition of fixed assets	21,645	1,158
Less: release of fixed grant revenue	(31,227)	(30,389)
Add: adjustment to align to WDV of donated assets	-	3,464
Balance as at 31 December	38,364	47,946



PACIFIC POWER ASSOCIATION (Limited by Guarantee)
 NOTES TO THE FINANCIAL STATEMENTS continued
 FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
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	192	144
a) Cash at bank represented by:		
Bred Bank FJD - 159371129	422,316	-
Bred Bank USD - 159371130	109,997	-
Bred - WB USD 159371140	17,751	-
USD - 05138058	76,919	107,232
FJD-05440640	93,629	484,446
World bank- 12505317	4,587	51,085
	<u>725,391</u>	<u>642,907</u>
b) Project funds unexpended		
Bred - WB USD 159371140	17,751	-
World bank- 12505317	4,587	51,086
	<u>22,338</u>	<u>51,086</u>
13. COMMITMENTS AND CONTINGENCIES	\$	\$
a) There are no capital commitments as at 31 December 2019 (2018: \$Nil).		
b) There are no contingent liabilities as at 31 December 2019 (2018: \$Nil).		
c) Operating lease commitments:		
Within one year	18,344	55,032
Later than a year but no later than 5 years	-	18,243
	<u>18,344</u>	<u>73,275</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 4(c).

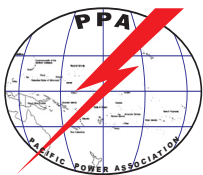
14. SEGMENT INFORMATION

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 2019

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
Mr. Kasio Kembo Mida Jr (appointed on 2nd July 2019)	Alternate Chairman
Mr. Apii Timoti	Secretary
Mr. Pradip Verma	Alternate Secretary
Mr. Mafalu Lotolua	Treasurer
Mr. Setitaia Chen	Alternate Treasurer
Mr. Trevor Lord (appointed on 2nd July 2019)	Chairman Allied Members
Mr. Christopher Pye (appointed on 1st July 2019)	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 (2018: \$Nil).

b) Key management personnel

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

	2019 \$	2018 \$
Gross salaries and bonus	452,812	435,532
Other benefits (housing, family allowance and insurance)	57,315	55,419
	<u>510,127</u>	<u>490,951</u>

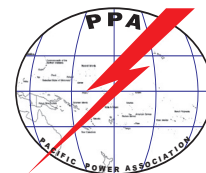
c) Balances with related party

As at 31 December 2019 \$13,551 was receivable from key management personnel which comprised of advance salary and credit card reimbursements of personal expenses (2018: \$Nil). No other receivable or payable from related parties was identified at year end.

16. SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of these financial statements is not expected to be material.

Apart from the above, no matters 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 the future financial years.

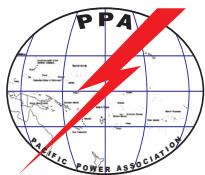


PACIFIC POWER ASSOCIATION (Limited by Guarantee)
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

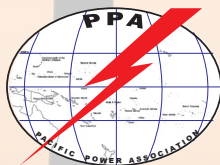
	2019 \$	2018 \$
Operating income		
Conference registration fees	173,168	148,551
Other income	73,800	59,051
Publication	38,745	64,915
Release of fixed grant revenue	31,227	30,389
Sponsorship	85,706	58,966
Subscription	876,473	787,875
Trade booth	46,064	35,705
Total income	<u>1,325,183</u>	<u>1,185,452</u>
Expenditure		
Audit fees	6,066	6,692
Bank charges	4,418	4,889
Conference expenses	180,105	141,963
Depreciation of property, plant and equipment	36,379	34,384
Doubtful debts	22,238	9,349
Electricity	10,224	10,517
Internet and communication	22,267	21,762
Insurance	2,579	4,022
Key management personnel: - gross salaries and bonus	452,812	435,532
- other benefits (housing, family allowance and insurance)	57,315	55,419
Legal fees	109	109
Motor vehicle expenses	10,068	7,127
Office rental	55,040	55,041
Other expenses	13,376	22,391
Other personnel expenses	11,943	12,296
Other secretariat staff salaries	50,862	46,466
Pest control	229	305
Postage and courier	6,630	6,090
Printing and stationery	7,180	3,637
Publication and editorials	26,290	24,626
Repairs and maintenance	-	1,104
Secretariat - airfares, per diems & miscellaneous	69,856	72,613
Security	780	780
Superannuation	96,550	91,284
Website and networking cost	10,069	9,609
Total expenditure	<u>1,153,385</u>	<u>1,078,007</u>
Surplus for the year	<u>171,798</u>	<u>107,445</u>

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 21.



Pacific Power Association

“Serving the Power Industry in the Pacific Islands”



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