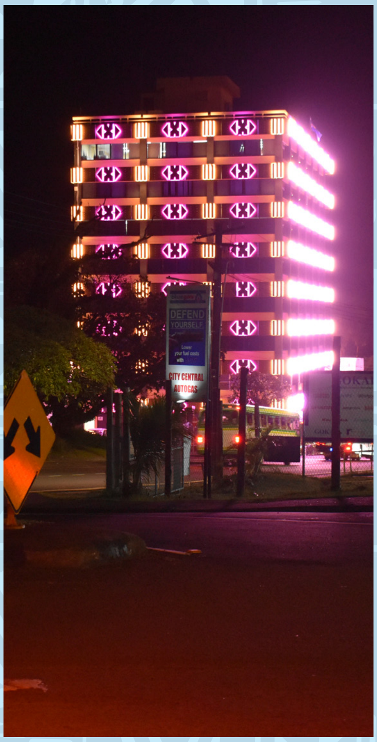
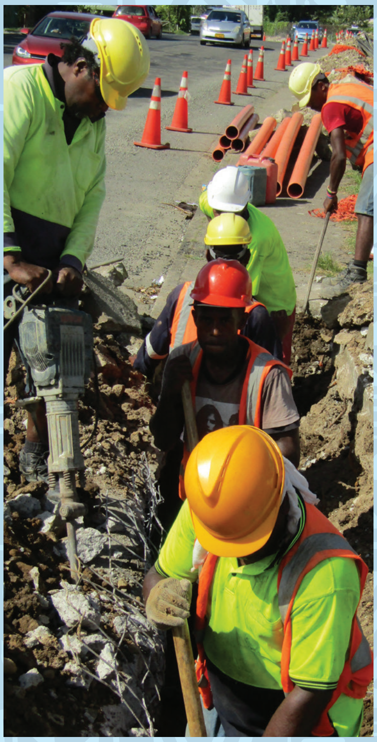
2019 Annual Report





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"Electricity is a product
we take pride in for
empowering the Nation"

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About Us

Our Vision
Energising our Nation

—

Our Mission
We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025.

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Our Values
Customer focus
Honesty
Do what is right for EFL
Team work
Individual accountability
Transparency
Innovativeness

Energy Fiji Limited, previously the Fiji Electricity Authority, was established, incorporated and constituted under the provisions of the Electricity Act of 1966 and began operating from 1 August of that year.

The powers, functions and duties of EFL under the Electricity Act are for the basic purpose of providing and maintaining an efficient and cost-effective power supply to the Fijian people in a safe and secure manner that meets high benchmarks in quality. Every consumer group in Fiji is charged a uniform tariff rate to ensure affordability across the socio-economic spectrum. These tariffs are determined by the Regulator, the Fijian Competition and Consumer Commission (FCCC) on submission for a review by Energy Fiji Limited and the tariffs are designed to meet specific objectives while simultaneously achieving a reasonable rate of return for the shareholders.

EFL was entrusted with enforcing the Electricity Act and regulations, setting standards, examining and registering electricians, and was empowered to approve and license suppliers to serve certain areas till FCCC was appointed as the Regulator on 30th September 2019 when the Electricity Act 2017 was gazetted. However, EFL has signed an MOA with the FCCC to continue to carry out certain regulatory functions until further notice.

Fiji Electricity Authority (FEA) was corporatised into Energy Fiji Limited (EFL) on 16 April 2018, a public company limited by shares, and was registered under the Companies Act pursuant to regulations that were gazetted. EFL has also been appointed as the successor entity of FEA. One of the key objectives of the corporatisation of FEA is to provide an opportunity for Fijians to share in the economic benefits of FEA and list the newly corporatised entity on the South Pacific Stock Exchange which will promote the development of Fiji's capital market. In March 2017, a new Electricity Act 2017 was passed by Parliament, however, the new Electricity Act 2017 was gazetted on 1st October 2019 and came into effect.

The Board of Directors

Daksesh Patel
Chairman

Gardiner Whiteside
Deputy Chairman

Alipate Naiorosui
Director
Retired - May, 2019

David Kolitagane
Director

Kamal Gounder
Director

Tevita Kuruvakadua
Director
Appointed - November, 2019

Hasmukh Patel
Director

Executive Management Team

Hasmukh Patel
Chief Executive Officer

Bobby Naimawi
Chief Financial Officer/Board Secretary

Tuvitu Delairewa
General Manager Commercial

Eparama Tawake
General Manager Generation

Annabel Ducia
General Manager Customer Services

Anand Nanjangud
General Manager Special Projects

Jitendra V. Kumar
General Manager Network

Naveen Lakshmaiya
General Manager Human Resources

Om Dutt Sharma
General Manager System Planning & Control

Umesh Chandra
Chief Information Officer

Corporate Governance

The EFL Board is committed to maintaining a high standard of corporate governance by overseeing a sound and effective governance framework for the management and conduct of EFL's business. Our governance practices comply with statutory requirements and assist staff to deliver on the expectations of the stakeholders by promoting accountability, transparency, integrity and stewardship across the Company. Important corporate governance initiatives were implemented while focusing on delivery of our operational priorities. Through both internal reflection and external comparison to best practices around the world, the Board remained effective, informed, and independent in 2019.

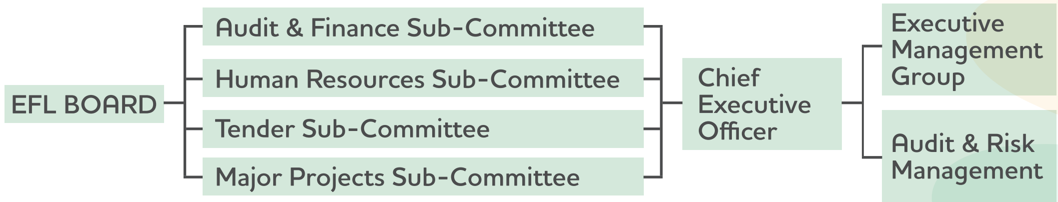
The key responsibilities of the Board are as follows:

- To provide strategic guidance for the Company and effective oversight of management;
- To optimize Company performance and shareholder value within a framework of appropriate risk assessment and management;
- To recognize the Company's legal and other obligations to all legitimate stakeholders;
- Oversight of the Company, including its control and accountability systems;
- Appointment of the Chief Executive Officer in line with Company Articles of Association;
- Ratifying the appointment of members of EFL's Executive Management Team, approving of their terms of engagement;
- Providing input into the final approval of the corporate strategy and performance objectives, and monitoring performance against those plans; and
- Reviewing, ratifying and monitoring systems of risk management and internal controls, codes of conduct and legal compliances.

The Board meetings are usually conducted on a monthly basis. The Board discusses EFL's results, prospects, short and long term strategies as well as other matters including operational performance, governance and compliance issues. EFL's Executive Management Team provides monthly reports to the Board detailing current financial information and additional information on matters of interest to the Board including operational performance, major initiatives, and EFL's risk profile.

The EFL Chairman, Mr Daksesh Patel, with EFL Directors and EFL Management at the strategic workshop held at the Outrigger Resort in Sigatoka.

EFL'S GOVERNANCE FRAMEWORK



BOARD OF DIRECTORS

The EFL Board of Directors presently consists of six (6) members.

The Board composition of EFL for 2019 was as follows, together with the number of Board Meetings attended. There were eight (8) board meetings held in 2019 as tabulated below:

Board Members

DIRECTOR		NO. OF BOARD MEETINGS ATTENDED
Daksesh Patel	Board Chairman	6
Gardiner Whiteside	Deputy Chairman	8
David Kolitagane	Member – Permanent Secretary for Agriculture/ Permanent Secretary for Fiji's Rural and Maritime Development	6
Kamal Gounder	Member – Ministry of Economy	6
Alipate Naiorosui	Member – Private Sector, Retired May 2019	3
Tevita Kuruvakadua	Member - Representing Fiji National Provident Fund (FNPF)	0
Hasmukh Patel	Chief Executive Officer	6

APPOINTMENT OF THE BOARD DIRECTOR

EFL welcomed the appointment of Mr. Tevita Kuruvakadua, the Board representative of the Fiji National Provident Fund after the sale of 20% shares to FNPF. Mr. Kuruvakadua replaced Mr. Alipate Naiorosui whose term expired in May 2019.

RISK MANAGEMENT

Risk management is underpinned by a shared culture that ensures that every employee understands and manages the risks that are part of their daily work. We accept that risk is an inherent part of doing business and hence we ensure that we have an efficient risk management system in place.

Risk review workshop is conducted every two years, to review risks regularly, because EFL operates in a dynamic environment where new risks may arise or previously identified risks may have a different impact.

A risk matrix is used to assess and compare our risks, with the risks arranged based on an estimate of likelihood of the risk arising, and an estimate of the impact of the consequences on the achievement of our business objectives. Risks identified are subject to regular monitoring so that appropriate action is taken and risks are mitigated.

INTERNAL AUDIT

The Internal Audit Department ensures the effectiveness of risk management, internal controls and good corporate governance in EFL, which are crucial for improvements to financial and procedural management across EFL. The Internal Audit Department abides by a strict set of policies that guide the preparation of audit reports in accordance with EFL's approved Internal Audit and Risk Management Charter, as reviewed and approved by the Board since 2014.

The internal audit department continuously monitors the effectiveness of internal controls with the objective of providing the Audit and Finance Sub-committee (AFSC) and the Board with an independent, objective and reasonable assurance of the adequacy and effectiveness of EFL's risk management practices, internal controls and governance processes.

AFSC's role is to assist the Board to independently verify and safeguard the integrity of the EFL's financial reporting and internal control processes. The AFSC also reviewed:

- The 2019 Annual Internal Audit Plan to ensure that it contains a strategic risk component that analyses core business processes, and other specific requests, based on discussions with Executive Management. The key business processes were audited on a rotational basis, as identified and prioritized by the Executive Management Team;
- The reliability and integrity of financial and operating information;
- The system established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports;
- The means of safeguarding assets and as appropriate, verifying the existence of such assets;
- The projects and programs to ascertain whether results were consistently aligned with established objectives and goals, and whether the projects and programs were being carried out accordingly as planned;
- Reporting of any material misuse of funds, misappropriation of assets or acts of fraud.

In 2019, the AFSC met on a monthly basis to review the reports submitted by the Department. All signification audit observations and follow-up actions were reported directly to the Sub-Committee.

The Attorney General and the Honourable Minister for Economy, Aiyaz Sayed-Khaiyum with representatives from EFL, FNPF, ANZ Corporate Advisory, FCCC and MOE after the announcement of the transfer of 20% shareholding in EFL to FNPF at the Honourable PM's office in Suva.

Electricity is a product that can change the livelihood of ordinary Fijians. The Government plays an important role in achieving this objective via its rural electrification programme.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The EFL Board approved the establishment of a Foundation which will be responsible for all the corporate social responsibility activities of EFL. The Board is actively engaged and is in the process of naming the Foundation, appointing the trustees who will then oversee the running of the Foundation and also seek the assistance of other stakeholders.

The setting up of the foundation will add a new dimension to the way EFL will conduct its business. The Company will act responsibly and give back to the communities who have contributed immensely to the success of EFL.

It is envisaged that the foundation will be launched in 2020.

EFL hosts the Cancer Society of Fiji in a tea fundraising event as part of its Corporate Social Responsibility.

01

CHAIRMAN'S REPORT

DAKSESH PATEL - EFL CHAIRMAN

2019 recorded another year of excellent performance and achievements.

Outlined below are the highlights of our overall performance for the year 2019:

- *Another strong financial performance including growth in revenue*
- *Record dividend paid to shareholders, including domestic account holders*
- *Sound, prudent capital management has resulted in an improvement in gearing ratios and the company's financial position to fund future investment*
- *Completed another important milestone in the privatisation process, including:*
  - *Gazettal of the 2017 Electricity Act*
  - *Fijian Competition and Consumer Commission (FCCC) has assumed all regulatory responsibilities, however, EFL is retained via a Memorandum of Agreement (MOA)to complete certain tasks due to its expertise, available resources and experience*
  - *Electricity Tariff methodology agreed with the Regulator, FCCC*
  - *Average 2.74% increase in electricity tariffs effective 1st October 2019*
  - *Agreed capital plan for the next 4 years*
  - *Clear framework for the ongoing review of tariffs every 4 years or sooner if extraordinary circumstances arise*
- *Welcomed FNPF as a 20% shareholder with Board representation*
- *Continuing to invest in expanding the network and electrifying Fiji alongside the Government*
- *Have a clear view on the Transmission & Distribution and Power Generation infrastructure roadmap for the next 10 years and remain committed to clean, renewable energy sources. The journey is well in hand.*
- *EFL continues to work with other private sector companies to deliver this infrastructure plan.*

New Opportunities through Proven Fundamentals

Following corporatisation, EFL remains wholly committed to its basic corporate fundamentals. Our chief priority remains our future-facing investment strategy, balancing prudent financial management and thoughtful reinvestment to meet a growing need for clean energy through the expansion and upgrade of Fiji's energy infrastructure.

EFL reviews its 10 year Power Development Plan (PDP) every 2 years. The ten (10) year power development plan was reviewed at the end of 2019. It contains the load forecasting and power generation planning scenarios up to 2028 for Viti Levu, Vanua Levu, Ovalau and Taveuni Power Systems with associated network assets to be augmented/developed and the investment plan required to implement this 10 year Power Development Plan.

The upside of the future developments on EFL's business is approximately US$500M of capital investment required primarily in the generation sector. EFL has identified a range of renewable generation investments to implement over the coming 10 years. These investments would create capacity to meet future demand and satisfy network redundancy requirements and maintain high levels of renewable utilization in Fiji.

We see myriad options for investors in EFL to participate in the development of these future generation infrastructures either through EFL funding these generation infrastructures via its own balance sheet or these new generation infrastructures financed via a separate entity, co-funded by EFL and its investor(s) or arm's length PPA between IPP generator and EFL with 100% offtake.

The total debt of EFL as at end of December 2019 is $219.74M. This has decreased significantly by $57.78M (net) as compared to the loan balance of around $277.52M reported as at end of December 2018 due to the strength of EFL's cash flow and prudent debt management. The reduction in debt level is due to the mandatory loan repayments made in 2019 together with the early redemption of two high interest Bonds with FNPF and LICI early this year. It is a big achievement for EFL that it has early redeemed two high interest bonds in January this year amounting to $29.25M that were supposed to expire in 2020 and 2022 respectively. $29M was for FNPF Bond at a coupon rate of 6.83% p.a. This was early redeemed on 1st January 2019. Further, EFL has also early redeemed $0.25M of the LICI Bond at a coupon rate of 6.8% p.a on 5th January 2019. This has reduced the Bond balance in the balance sheet of EFL from $37.25M to $8M. In addition to this, EFL has also paid off the FNPF loan amounting to $6.93M on 18th April 2019.

EFL plans to execute $213 million worth of capital expenditures over the next three years, $96 million in 2021, $51 million in 2022 and $66 million in 2023. The projected capital expenditure of $86 million in 2020 is projected to cover distribution reinforcement projects, urban reticulation and rural electrification projects, the purchase of electricity meters and motor vehicles, the upgrading of the Monasavu Hydro-Electric Scheme, the 33kv sub-transmission network development from Vuda to Naikabula, four 132kV tower replacements, equipment and system upgrades to enhance power supply security and reliability through greater automation and the new 132kV transmission network development from Virara, Ba to Koronubu, Ba, among other capital projects.

Due to the 2.74% tariff increase approved by the FCCC and was implemented by EFL from 1st October 2019, this will provide adequate headroom for the funding of EFL's planned capex programme over the next four years while maintaining a prudent approach to capital management and providing a dividend to shareholders. In order to facilitate a consistent dividend payment to shareholders over the planning period, the following parameter play a very significant role:

- the planning, management and successful implementation of EFL's capex for the next four years which has been approved by the FCCC during the tariff determination process. Further, Management will be evaluating each project to identify the optimal funding model, including for future major renewable generation infrastructure projects.

Fiji has the following potential renewable energy developments which is considered as an upside to its business.

- Biomass - Waste to Energy Plants;
- Solar Projects
- Potential Hydro Projects.

RENEWABLE POWER GENERATION PROJECTS

Funding the development of renewable energy requires expertise, innovation and financial resources. EFL's commitment towards renewable energy development also includes a significant financial investment.

Power generation projects determined to be bankable will be funded via long term borrowings from commercial banks and financial institutions.

The Balance Sheet of EFL as at end of December 2019 is in a strong position. The strong balance sheet position as at end of December 2019 is attributed to the strong profits recorded by EFL in 2019 and over the last four years as well as reductions in the debt level. EFL's total assets are more than twice the total liabilities in the ratio 2.55:1 and shows that the balance sheet of EFL is healthy and strong.

The Debt to Equity ratio has also improved to 64% Equity and 36% Debt as at end of December 2019. This also shows that EFL has added significant shareholder value over the years and continues to satisfy its debt obligations.

PROGRESS ON RENEWABLE ENERGY PROJECTS - NEW SOLAR PROJECTS

1. Qeleloa 5MW Solar Farm

EFL will enter into a Power Purchase Agreement with Sunergise Limited for the development of 5MW Qeleloa Solar farm. This project is to supply clean and sustainable energy to the Viti Levu grid as energy demand is increasing every year.

2. Development of 3 x 5MW Solar farms in Viti Levu

EFL is in the final stages of signing a Financial Advisory Services Agreement (FASA) with the International Financial Corporation (IFC) to secure expertise for the design and implementation of a public-private partnership for the development of three separate 5MW solar photovoltaic (PV) plants. IFC's grant comes in the form of Donor funded Technical Assistance Program and will provide solar experts who are armed with vast global experience. This will help EFL to secure internationally-competitive bidders that are capable of managing the financial and technical complexities of solar power projects. These systems are expected to be commissioned with no or with small energy storage systems, ensuring the appropriate fault ride through capability to maintain power system stability within EFL's larger energy grid. In anticipation of this arrangement, EFL has already purchased a solar site in Tavua and are in the process of acquiring sites in Ba and Lautoka. This exercise with IFC will continue for 2 years till successful arrangements with the prospective bidders is finalised for 3 solar projects. The successful completion of the solar projects will contribute towards the mission of EFL to provide clean and affordable energy solutions for Fiji with at least 90% of the energy requirements through renewable sources by 2025.

3. Solar Project in Taveuni

Korean International Corporation Agency (KOICA) and the Fijian Government's Ministry of Economy (MoE) will jointly work with EFL to establish a 1.0MW Solar Plant in Mua, Taveuni. This project is part of EFL's broader climate resilient renewable energy development initiatives. The project is fully funded by KOICA's grant of US$3.0 million. A Project Management Consultant has been appointed to monitor the progress of the project. This project will be completed by mid-2021. Under the Fijian Government's rural electrification initiative, EFL is currently extending electricity supply from Welagi Village to Naiselsele Village covering numerous resorts and hotels including the Matei airport and its surrounding residences. There are also plans in place to extend the grid to the southern part of the island.

Meanwhile, the 100%-EFL-owned subsidiary company, Fiji Renewables Pte Limited (FRL) will spearhead the development of renewable energy in Fiji, in support of the Government's commitment. We're extremely proud of the ambition behind this commitment, as we strive to set the Fijian energy sector on a sustainable, future-focussed path.

Looking Forward to the Future

Future Renewable Energy Projects

1. Qaliwana and Upper Wailoa Diversion Hydro Development Scheme

Pre-feasibility study site visits of the proposed dam and weir sites with Studio Pietrangeli, the Italian Consultant hired by the European Investment Bank (EIB) were conducted in late March-early April, 2019. Feasibility study is in progress, which should culminate with the drafting of a preparatory Feasibility Report. Meanwhile, an Inception workshop of the Terms of Reference of their contract was conducted by Studio Pietrangeli in May, which was attended by invited parties, EU reps, Department of Energy and EFL.

2. Lower Ba Hydro Development Scheme

EFL is liaising with EIB to carry out feasibility studies for the Lower Ba Hydro Development Scheme as well.

3. Namosi Hydro Scheme

EFL settled lease offers from iTLTB for the three project sites namely, Waivaka, Wainikoroiluva and Wainikovu for $1.7M. These three hydro projects will deliver a combined total power capacity output of 32MW and an energy output of 120GWh. EFL is still working on the methodology or model it will adopt for the development of these three hydro schemes in Namosi.

4. Development of 132kV Transmission Network from Virara Settlement to Rarawai, Ba

The Fijian Government has declared the areas between Korovou to Ba in Viti Levu as tax free zone with a certain level of investment.

Keeping the above in mind, Energy Fiji Limited (EFL) is developing its high voltage transmission network for sufficient and consistent power supply to the north-western region of Viti Levu by constructing:

- a 30 km, 132kV transmission line from Virarara, Ba to Koronubu, Ba;
- 132kV switching station at Virarara, Ba; and
- 132/33kV substation at Koronubu, Ba

The route of the transmission line was selected in 2014. Typically, the land is low lying and almost flat for the first 12 km route from Koronubu. Steel pole structures have been considered for this section of the line. The land is generally used for sugar cane farming.

Approximately 6 km of the route lies along the Fiji Sugar Corporation tram line. The remaining 18 km of the country is hilly. This section of the land is generally used for grazing and pine plantation. Steel lattice towers are being considered for this section of the line.

Survey and pegging of all proposed monopole and lattice tower sites along with Virara 132kV switching station site and Koronubu 132/33kV sub-station site has been completed by EFL. EFL has almost completed the acquisition of the proposed sites for the transmission line and further has acquired the sites for the substation and switching station. The EPC tenders for the construction of the transmission line, substation and switching station have been awarded and construction will hopefully commence towards the end of 2020 subject to the lifting of the COVID-19 restrictions worldwide. This Project will cost around $75M.

5. Development of 33kV Transmission Network from Vuda to Naikabula, just outside Lautoka City boundary.

Construction work on the development of a 33kV transmission network from Vuda to Naikabula together with a 33kV/11kV zone substation in Naikabula commenced during the year and is anticipated to be completed in 2021 at a cost of around $11M. This project on completion will enable EFL to meet the increasing demand of electricity as well as increase the reliability of power supply in the Lautoka district.

The Honourable Prime Minister, Josaia Voreqe Bainimarama with the Navala community after the commissioning of the Navala Grid Extension project in Ba.

THE NEW ERA OF CORPORATISATION

The FEA was corporatised into Energy Fiji Limited, a Limited Liability Company on 18th April 2018. The Government has approved the partial Divestment of EFL's Shares where 51% will be retained by Government, 5% given for nil consideration to the domestic account holders of EFL, 20% sold to FNPF in October 2019 and the remaining 24% subject to an ongoing divestment process.

In 2019, EFL together with the divestment consultants (ANZ Corporate Advisory and Squire Patton Boggs) established a data room where ten year information of EFL was stored. The information contained financial, technical and legal data. Further, EFL and the divestment consultants prepared EFL's ten year financials vendor due diligence, legal and technical due diligence reports. These reports were shared with interested bidders including FNPF that concluded with the sale of 20% of Government's shares in EFL to FNPF.

Further, Energy Fiji Limited is governed by the Companies Act and no longer the Public Enterprises Act. The ultimate plan is to list the company on the South Pacific Stock Exchange.

A TEAM EFFORT, A TEAM SUCCESS

EFL manages a power network that stretches across the country with over $1 billion in assets and maintains over 10,000 km of power lines combined in rural and urban regions. Our most valuable asset isn't composed of power poles and cables; our greatest asset is, far and away, our people. From our CEO, to our Board of Directors, to our staff in offices around the nation, to our maintenance teams in cities, rural communities and maritime regions, our people are on the front-lines of powering Fijian prosperity, and they have my total and sincere gratitude. Together, we made 2019 a complete success, and we all have a cause to celebrate EFL's achievements.

When nature disrupts the power supply in Fiji, the Fijian people know they can count on EFL to do absolutely everything within our control to get power back online, restoring that feeling of safety and security that only reliable electricity companies can provide. We'll continue to work day and night until the job's done ––not only in moments of crisis, but whenever necessary –– to keep the lights on in Fijian households,and to expand our grid to bring the life-changing benefits of electricity to more of our people.

Of course, none of our progress would be possible without the unwavering support of the Fijian Government. I'm deeply grateful for the visionary leadership of our Honourable Prime Minister, which has led to the unprecedented economic prosperity that has fuelled EFL's growth. I thank his Honourable Cabinet Ministers, particularly the Honourable Attorney-General, Aiyaz Sayed-Khaiyum, and the Minister for Infrastructure and Transport, Jone Usamate for their constant support and sincere interest in EFL's progress and success.

I'm also grateful to the Permanent Secretaries and other key government officials for their support of our Honourable Prime Minister's agenda for Fijian progress. And I thank the Reserve Bank of Fiji, the Fijian Competition and Consumer Commission, the Fiji Revenue and Customs Service and the Executives from the various unions with whom we work for their continued support and cooperation.

But above all else, I'd like to thank our customers. Our work energising industries, the retail sector, homes, roads, schools and hospitals across the country is solely in support of our economic well-being. Your interests are at the very centre of every decision we make, and we will continue to innovate, invest and improve our services on your behalf. Thank you for allowing us to serve you.

Looking to the future, EFL will continue to share our success as widely as possible by delivering value for our shareholders and by offering our customers a high level of service in the energy sector that is on-par with what can be found in more developed economies. Throughout all of our work, sustainability will remain at the heart of our leadership, whether it is growing access to renewable energy, strengthening our resilience to climate change, solidifying our partnerships with landowning communities or setting our organization up for long-term financial success.

The Attorney-General and the Honourable Minister for Economy, Aiyaz Sayed-Khaiyum with EFL Head Office employees after the announcement of their performance pay for the financial year 2018 at the EFL Head Office in Suva.

The Board Chairman, Daksesh Patel & CEO Hasmukh Patel with Generation Strategic Business Unit staff who were awarded "Safety Team of the Year 2018" winners at the Awards Night held at the National Gymnasium in Suva.

02

KEY PERFORMANCE INDICATORS

The status of the achievement of the ten EFL Board Key Performance Indicators (KPIs) for 2019 as submitted to the Government Shareholder is tabulated below.

1. Meeting Lenders' Requirements

GOAL: Ensure that EFL Comply with the debt covenants set by Lenders subject to the key assumptions for 2019 becoming a reality. **OUTCOME:** Achieved. EFL recorded an after tax profit of $63.74M in 2019 enabling us to comply with all financial covenants signed with our lenders, ANZ Bank and FNPF.

2. Meeting Statutory Obligations

Fully comply with the following statutory requirements:

GOAL: Submission of the 2020 to 2022 Corporate Plan, SCI and EIRP by 30th October 2019. **OUTCOME:** Achieved. Submitted on 30th October 2019.
GOAL: Submission of the half year report for 2019 financial year by 1st August 2019. **OUTCOME:** Achieved. Submitted on 1st August 2019.
GOAL: Submission of the draft un-audited financial accounts for 2018 by 31st January 2019. **OUTCOME:** Achieved. Submitted on 31st January 2019.
GOAL: Submission of the annual report and audited financial accounts for 2018 by 31st May 2019. **OUTCOME:** Achieved. Submitted on 31st May 2019.

3. Satisfying Customers

GOAL: Ensure that the Customer Satisfaction Level for 2019 as per the Corporate KPI is achieved. **OUTCOME:** Partially Achieved. Domestic target 92%, achieved 91% and Commercial target 93%, achieved 94.8% as per the Corporate KPI for 2019.

4. New Independent Power Producers

GOAL: Sign a Power Purchase Agreement with an Independent Power Producer (IPP) by 31st December 2019 to develop at least one new IPP plant. **OUTCOME:** Not Achieved.

5. Completing Actions for Divestment

GOAL: Implement all EFL action Items as per the Agreed Timetable with the Ministry of Public Enterprises regarding the divestment of EFL. **OUTCOME:** Achieved.

6. Advancing the development of the new 132kV redundant Transmission Line from Nadarivatu/Monasavu to Nacocolevu in Sigatoka, once EIB finalises the detailed feasibility study in 2019.

GOAL: Make a firm recommendation on the way forward for the development of the new 132kV redundant Transmission Line from Nadarivatu/Monasavu to Nacocolevu in Sigatoka, once EIB finalises the detailed feasibility study in 2019. **OUTCOME:** Partially Achieved. EIB completed the detailed feasibility study and have provided the report to EFL in 2019. However as a result of the partial divestment exercise of EFL this KPI was parked.

7. New 132kV Transmission Network from Virara, Ba to Koronubu, Ba

GOAL: Ensure that the new 132kV Transmission Network from Virara, Ba to Koronubu, Ba progresses according to the project schedule for 2019. **OUTCOME:** Achieved. Project progressed according to the work schedule for 2019. EFL has awarded the tenders for the construction of the new 132kV transmission network.

8. Purchasing Power from Independent Power Producers

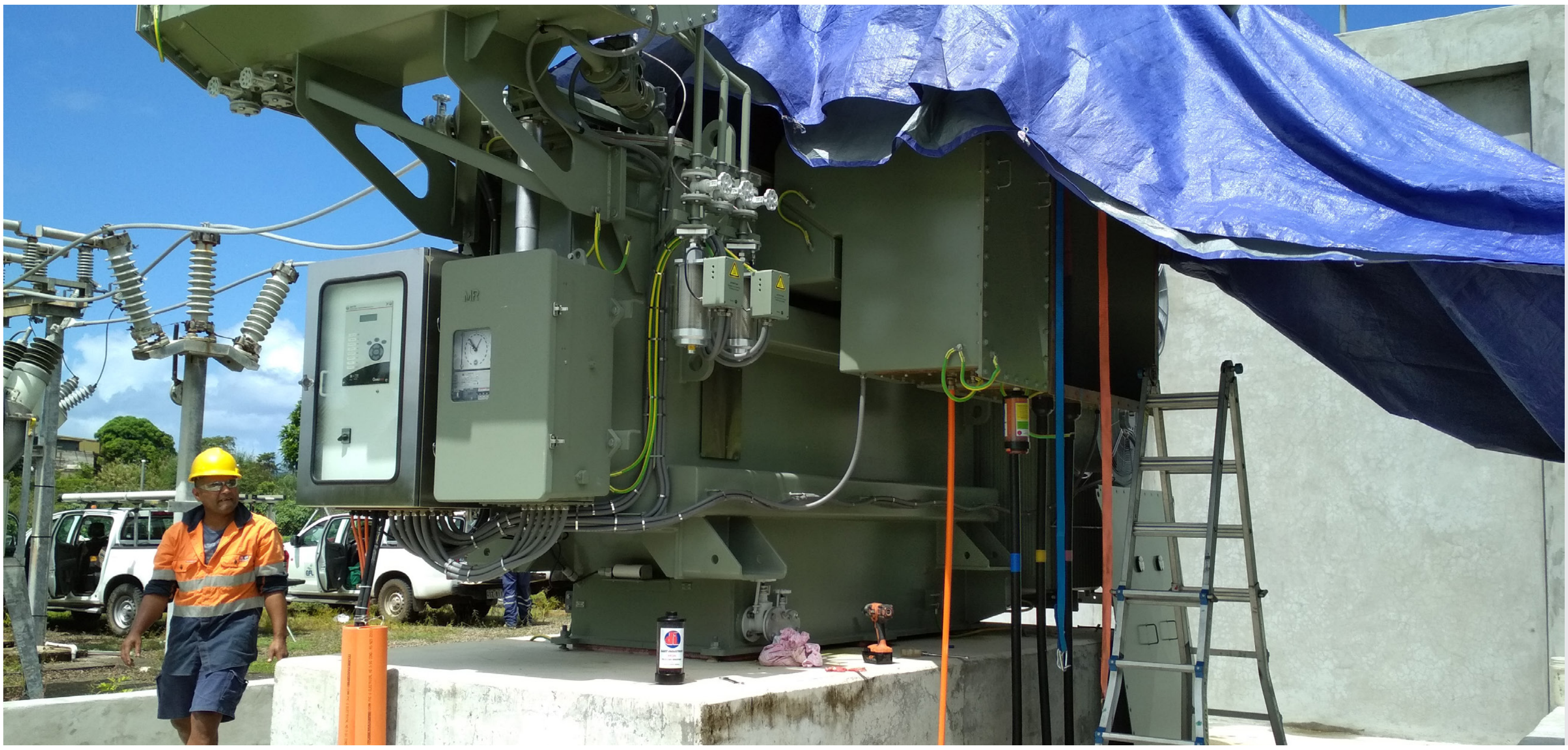
GOAL: Ensure that the 5MW Qeleloa solar farm, which is a Joint Venture (JV) between EFL and Sunergise, is constructed and commissioned in 2019. **OUTCOME:** Not Achieved. The Board thereafter resolved to develop the 5MW solar farm via an IPP model with Sunergise and not through a JV arrangement.

9. Development of the Tavua and BA 5MW Solar farms

GOAL: Make a firm recommendation on the way forward for the development of the Tavua and Ba 5MW Solar farms. **OUTCOME:** Achieved. EFL acquired the land at Tavua for development and the acquisition of the Ba land is in progress due to the death of the land owner.

10. Purchase, install and commission the new 10MW Heavy Fuel Oil generator at Vuda Power Station

GOAL: Purchase, install and commission the new 10MW Heavy Fuel Oil generator at Vuda Power Station by September 2019. **OUTCOME:** Achieved. Plant was fully commissioned in September 2019.



EFL staff carrying out repair and maintenance on the power network assets to improve the reliability and security of power supply to its customers.

03

CHIEF EXECUTIVE OFFICER'S REPORT

HASMUKH PATEL - EFL CHIEF EXECUTIVE OFFICER

The success and sustainability of Energy Fiji Limited rests on an innovative business model being in place and this model needs to be supported by a robust tariff framework. EFL is ever grateful to the Fijian Competition and Consumer Commission (FCCC) for its foresight in approving and implementing a new regulatory tariff methodology that is transparent and accountable. The new tariff methodology provides the EFL stakeholders such as lenders, customers and investors certainty and reliability in terms of the tariff setting formula and mechanism.

In 2019 EFL's performance was exemplary. It recorded a profit after tax of $63.7M at the back of four years of unprecedented profitability growth. This enabled EFL to rise above its challenges in 2019 to:

- ***Repay mandatory loans/early repayment of loans and bonds totalling $57.8M;***
- ***Funded the entire 2019 capital expenditure from its internal cash flow of $78.2M; and***
- ***Declared and paid out its highest ever dividend to the shareholders of EFL of $30M.***

The above shows that EFL is a performing and result oriented company striving to achieve best practices and value creation for its stakeholders.

EFL's Progress In A Growing Fijian Economy

EFL has maintained unprecedented financial results over the last five years. In 2019 it recorded a after-tax profit of $63.74 million equating to a return on shareholder funds of 7.49%. The year ended with Tropical Cyclone Sarai, which struck Fiji on 27th December 2019. The strong winds caused damage to the electricity network infrastructure especially on the overhead power lines.

Energy Fiji Limited is now governed by the Companies Act and no longer the Public Enterprises Act. In this regard, EFL needs to maintain the present profitability levels or even do better. Ultimately, the Company has had its returns regulated by FCCC and it should strive to manage costs where possible in order to achieve these returns. Work is in progress on the sale of the remaining 24% equity in EFL as phase two of the divestment process. The ultimate plan is to list the company on the South Pacific Stock Exchange which is anticipated in 2021.

The Fijian Government has committed to providing electricity to all citizens of Fiji. In this regard, people aspiring to get connected to EFL grid apply for electricity connection to EFL. EFL spent a total of $22.85 million in 2019 on the construction of new rural electrification schemes, grid extensions for commercial and industrial projects, power-system reinforcement works and contract jobs. Of this amount, $11.18 million was for the construction of 103 rural electrification projects, $7.76 million was for 71 general extension projects for commercial and industrial customers and $0.92 million was utilized for 26 contract jobs. A total of $2.99 million was authorized for 23 distribution power system reinforcement projects.

An integral part of this year's success can be attributed to the prudent management of the Monasavu and Nadarivatu hydro-electric schemes, which have continued to supply clean and reliable energy to power the lives of the Fijian people. Above-average rainfall in Viti Levu during the rainy season led to a record performance from the Monasavu Hydro Scheme.

Typically, we can expect around 400 million units of electricity generation a year from the Monasavu Hydro Scheme. In 2019, the Hydro Scheme surpassed expectations and generated 454 million units of energy, up 4.68% from last year even though one of the four gen-sets at Wailoa Power Station was taken out of operation for some three and a half months for major refurbishment works.

For the Nadarivatu hydro-electric scheme, annual long-term output should be around 100 million units. In 2019 the station generated some 83 million units compared to 109 million units in 2018 due to lower rainfall received at the Nadarivatu catchment.

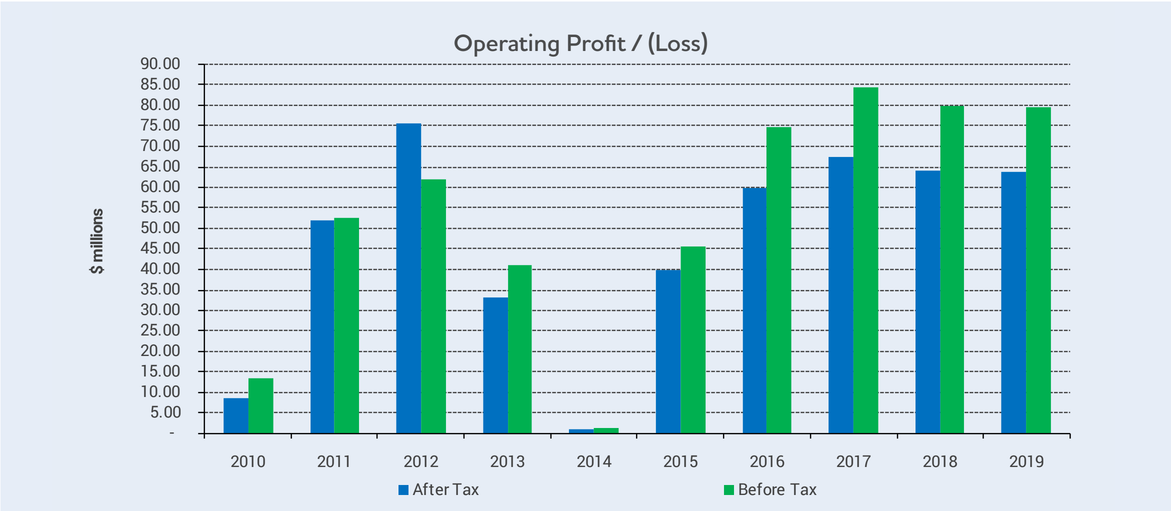
EFL made another history in 2019. The benefits of success are being shared more widely than ever before, thanks to the visionary leadership of the Fijian Government who has offered 5% of its non-voting shares in EFL, free of charge, to our domestic electricity customers. As a result of that landmark decision, thousands of Fijians now have far more to gain from EFL's success than just access to reliable energy; they stand to financially gain as our organisation continues to do well throughout the coming years.

OUR GROWTH BY THE NUMBERS

EFL is the only vertically integrated electricity Company in Fiji with strategically located operations and strong network coverage including a market leading renewable energy portfolio in the Pacific. It has stable business profile with consistent cash flows. It has established management team and significant experience in the business. Further, EFL has strong governance standards including comprehensive risk management framework. It has the ability to leverage low cost renewable generation technologies and there are opportunities for significant future up side.

EFL's balance sheet remains in a strong position as at end of December 2019, owing to our consistent profitable performance over the past five years. Our gearing ratio, as measured by debt to debt plus capital plus reserves, excluding cash in hand, stood at 20.53% as of 31 December 2019. That is down from 25.63% at the end of 2018, with both years well within the industry standard maximum of 45%.

Our low gearing level in 2019 is owed primarily to the profits we recorded in 2019 that resulted in an increase to the shareholder value and the reduction in our debt level by $57.78 million compared to 2018. Our low gearing level will grant EFL the flexibility to take out future loans, where necessary, to fund the implementation of its long-term Power Development Plan. EFL has never defaulted on its loan repayments in the past and shows that the Company is financially strong and sustainable.



At EFL, we look to shareholder value, asset value and the total amount of our loans and bonds as the key benchmarks to assess our performance. EFL's shareholder value stood at $851 million at the end of 2019, up from $805 million at the end of last year. EFL's total asset value rose to $1.41 billion by the end of 2019, up from around $1.38 billion in 2018. Finally, our total loans and bonds amounted to $219.7 million at the end of 2019, down by $57.8 million from the previous year.

The EFL Management continued with the proactive measure to reduce the risks of rising international fuel prices and the volatility of currency exchange market via weekly Risk Management Committee (RMC) meetings and thereafter taking appropriate actions as and when required. Much like other sectors in the Fijian economy, EFL has long been left exposed to variability in the movements of industrial diesel oil and heavy fuel oil prices, which are determined by the Brent crude oil global market prices and US Dollar exchange rate. EFL's fuel hedging team, together with a professional hedging consultant, now constantly and carefully monitor fuel prices and foreign exchange rates on a daily basis, and take appropriate action if any when required. As fuel is consistently our largest cost, volatility in the markets can carry serious consequences, and EFL's new proactive approach marks an important step in reducing that risk to our business and introducing a new level of stability and certainty.

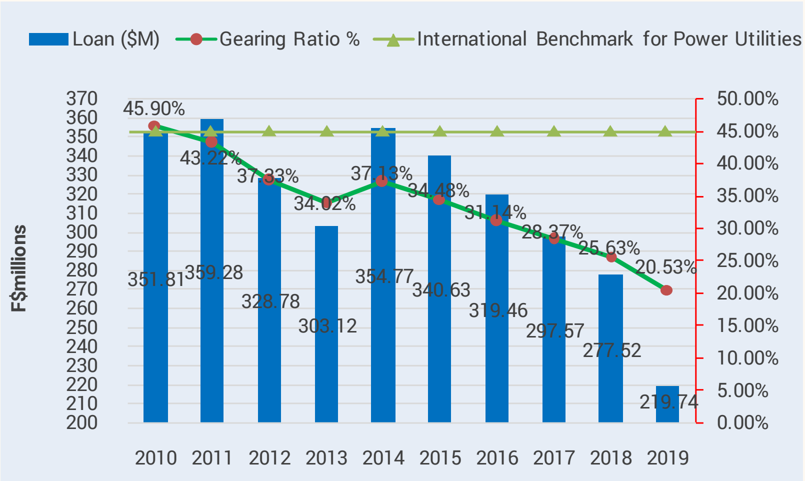
Although the company realised the Brent hedging losses of $7.7M in 2019, it was able to meet its hedging objectives as follows:

i. Protect the company from rising oil prices during the period as EFL's fuel hedging framework is designed to provide 70% protection when oil prices are rising.
ii. Ability to participate in downside oil price movement since EFL's hedging framework is designed to allow for around 65% downside participation when oil prices are falling. This has been incorporated as part of the lower fuel cost recorded for 2019.
iii. Substantially reduce its fuel cost volatility and provide stability to EFL's earnings.

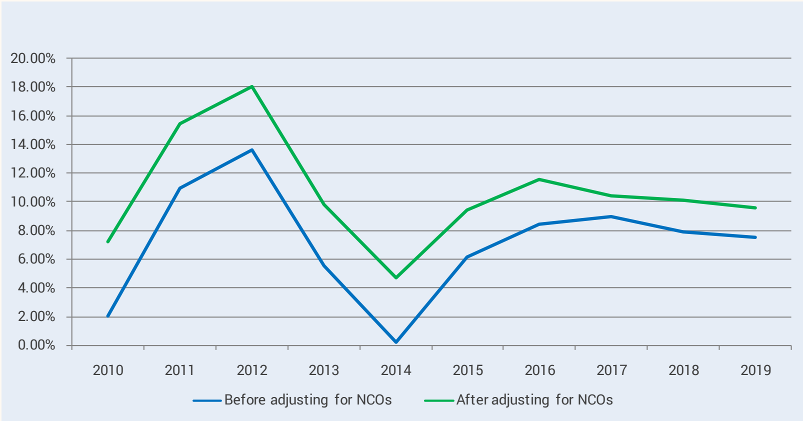
RETURN ON CAPITAL

Due to the restructure of EFL whereby 49% shares of Government will be divested, it is important for EFL to practise and adopt a commercial culture and financial discipline of rewarding shareholders. This is also a fiduciary duty of the Directors. In this regard, EFL through consistent profitability growth and sound cash flow management declared and paid out its largest dividend of $30M in 2019 based on the profit after tax for 2018. Government (95%) received $28.5M and the eligible domestic account holders of EFL who are the 5% non-voting shareholders received $1.5M. Part of the $1.5M was either paid out into each account holders bank account or credited against the account holders electricity account. This dividend model is a testament of the positive outcome of the EFL reform which will be an exemplary for the other State owned entities.

Loans and Gearing (Excluding Cash)



Return on Shareholders Funds to Account for NCO



CAPITAL EXPENDITURES AND FUNDING

In recognition of the present and future energy demands of the Fijian people, we are aggressively investing in the expansion of EFL's national electricity grid. There are still Fijians waiting to access the enormous benefits of electric power, and our capital expenditures include unprecedented funding to bring those communities online. But looking to the future, as Fiji's position in the Pacific and in the international arena grows further, our nations needs to be ready with a network of energy infrastructure that can support new investments that spark new development.

EFL spent a total of $78.16 million on capital expenditure in 2019, up from $61.65 million in 2018. EFL is now required to strictly monitor its spending towards capital expenditure and this must be aligned to the new regulatory framework approved by the FCCC. The tariff framework is based on the Regulated Asset Base (RAB) model which is widely used by many utilities overseas in determining and regulating electricity tariff.

That $78.16 million spent on capital expenditure in 2019 include: the procurement of a 10MW heavy fuel oil diesel generator set for the Vuda power station, the purchase of vehicles, the improvement of power system protection infrastructure, projects for rural electrification, power-system reinforcement projects, installation of a new 630mm^2 underground 33kV cable from Cunningham road substation to Hibiscus Park substation, the purchase of electricity meters and inspection equipment, the upgrade of the transformers at the Vatuwaqa and the Deuba zone substations, the implementation of the Monasavu half life refurbishment programme and the upgrade of various ageing assets.

EFL is proud to note that the $78.16M capital expenditure spent in 2019 were funded entirely from its internal cash flows. EFL did not draw further from the approved loan with ANZ to fund the new 132kV network development from Koronobu to Virara in Ba.

Despite a rise in capital expenditure, EFL's rising profits have led to significant progress in reducing debt levels, with our total debt portfolio falling from nearly $277.52 million in 2018 to $219.74 million in 2019. EFL has paid all mandatory loan repayments throughout the year. In addition EFL has also early redeemed three high interest bonds amounting to $29.25M that were due to expire in 2020 and 2022 respectively. This was made possible due to prudent cash flow management. $29M bond was for FNPF at a coupon rate of 6.83% p.a. This was early redeemed on 1st January 2019 and $0.25M bond was for LICI at a coupon rate of 6.8% p.a that was early redeemed on 5th January 2019. Further, the Company also early repaid the $10M FNPF loan that had a remaining balance of $6.93M as at 18th April 2019.

Throughout 2019, we maintained our average cost of borrowing at around 4% per annum, along with a steady interest rate on EFL's credit facility despite the tightening of the financial market in 2019.

PRODUCTION OF ELECTRICITY

Amongst the Pacific Island countries, Fiji is blessed with natural resources that give us access to renewable energy potential. We have a mountainous terrain, and powerful rivers that flow from the highlands to the sea suitable for development of Hydro Electric potential.

EFL is leveraging these geographic advantages to produce responsible mix of renewable energy projects across the country, using tailor-suited solutions where they best fit. By taking this customized and diversified approach, Fiji is both gaining greater energy independence and reducing the carbon footprint of our energy sector.

POWER GENERATION MIX

Through our diversified renewable energy portfolio, EFL is walking the talk when it comes to climate mitigation. We're setting an example to the world in renewable energy production, showing how a small island nation can produce its power in a sustainable manner that protects our environment and that powers unprecedented economic growth.

In 2019, we produced over half (52.74%) of our energy requirements from hydro-power, 0.25% from wind power, and 4.60% from Independent Power Producers (IPPs), namely Tropic Wood Industries Limited, Fiji Sugar Corporation and Nabou Green Energy. In 2018, we produced 54.86% of our energy requirements from hydro-power, 0.25% from wind power, and 3.87% from Independent Power Producers (IPPs). The reduction in hydro power was due to the low rainfall received in the Nadarivatu catchment area resulting in lower hydro generation as compared to 2018, 83 million units against 109 million units.

In total, EFL's renewable power stations generated 561.96 million units of electricity (52.99%), thermal power stations generated 449.68 million units (42.40%) and Independent Power Producers (IPPs) generated 48.82 million units (4.60%) of electricity.

HYDRO GENERATION

- **Wailoa Power Station**

  Typically, we expect around 400 million units of electricity generation annually from the Wailoa hydro power station as part of the Monasavu Hydro Scheme. In 2019, the station generated 454 million units as compared to 434 million units in 2018, despite one of the gen-sets at Wailoa Power Station being taken out for a 3.5 months major overhaul from 19th August to 26th November 2019.

- **Nadarivatu Hydro-power Station**

  The annual long-term average output of Nadarivatu Hydro Scheme is 100 million units. In 2019, the station generated around 83 million units, as compared to 109 million units in 2018 due to lower rainfall received in 2019.

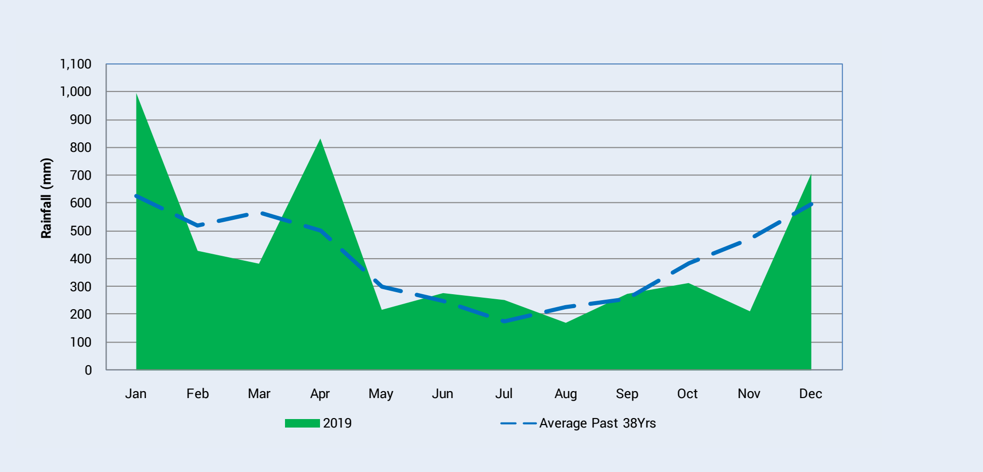
- **Wainikasou Hydro-power Station**

  The annual long-term average output from Wainikasou Hydro Scheme is 22 million units. In 2019, the station generated some 18.23 million units, compared to 21.7 million units in 2018 due to lower rainfall.

- **Nagado Hydro-power Station**

  The annual long-term average output for Nagado Hydro Power Station is 12 million units. The station has been shut down since July 2016 after generating 3.3 million units that year. It generated no power in 2019. The shutdown was due to low water pressure in the pipeline from the Vaturu dam to the Nagado power station. EFL is working closely with Water Authority of Fiji to replace damaged valves and restore the power station. This is expected in 2020.

2019 Rainfall Compared to Past Years



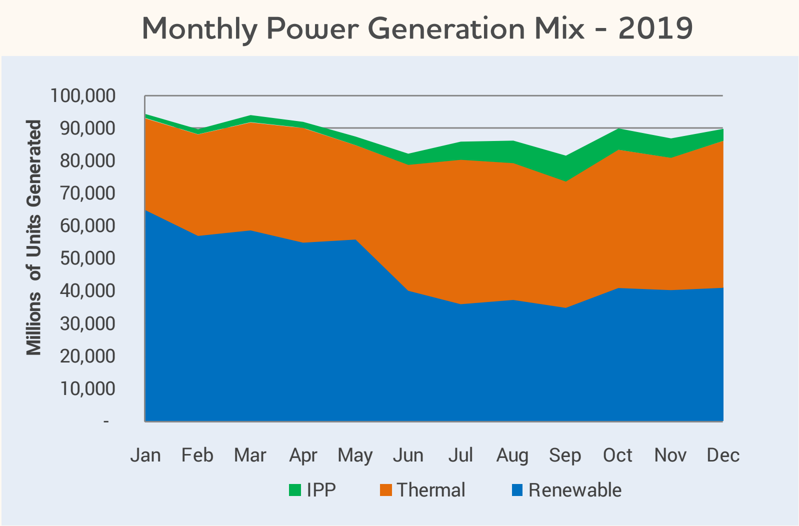
- **Monasavu Dam**

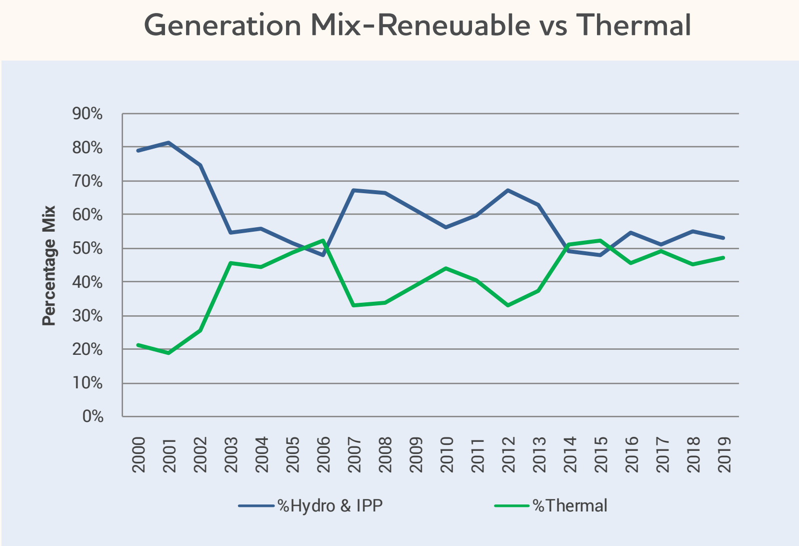
  At the beginning of 2019, the dam level at Monasavu sat at around 742 metres above mean sea level, 27 metres above the minimum safe operating level of 715 meters. Above-average rainfall received during the rainy season resulted in the dam spilling for the periods of 11 Jan - 12 Feb and 25 April – 4 May. By the end of the year, water level stood at 737.54 meters above sea level. Water level at the dam depends on water usage for power generation and amount of rainfall received at the dam. The weather was on our side in 2019, making it an extremely positive year for the dam and the energy systems it supports.

BUTONI WIND FARM

The Butoni wind farm generated 2.7 million units of electricity in 2019, saving around $1M in fuel costs for EFL. Our work to repair and upgrade wind turbines led to an increase in generation of 128,000 units compared to 2018.

Since its opening in June of 2007, the Butoni wind farm has harnessed the power of the wind to generate 54.74 million units of energy, sparing us from burning 12,054 tonnes of diesel fuel, equal to 37,225 tonnes of harmful carbon emissions.





THERMAL GENERATION

Our thermal power stations continue to play an absolutely critical role as part of our energy mix, generating over 42% of our energy requirements in 2019. As customer demand has been steadily increasing on an annual basis, our major thermal power stations in Kinoya, Vuda and Labasa have stepped up to meet the needs of our increasing customer base generating 449.68 million units in 2019 as compared to 423.74 million units in 2018. EFL added a new 10MW HFO genset to its thermal capacity in 2019.

POWER GENERATION MIX

2019's power-generation mix was 52.74% hydro, 42.40% industrial diesel oil and heavy fuel oil and 0.25% wind. The remaining 4.60% was provided by the Independent Power Producers (IPPs), namely Tropik Wood Industries Limited (TWIL), Fiji Sugar Corporation (FSC) and Nabou Green Energy Ltd. In 2018, 54.86% was generated from hydro, 41.02% from industrial diesel oil and heavy fuel oil, 0.25% from wind, with the remaining 3.87% from Independent Power Producers.

In 2019, EFL's renewable power stations generated 561.96 million units of electricity (52.99%), thermal power stations generated 449.68 million units (42.40%) and Independent Power Producers (IPPs) generated 48.82 million units (4.60%).

EFL's Somosomo Hydro Electric Power Station in Taveuni which caters for the electricity demand of the customers in Taveuni presently.

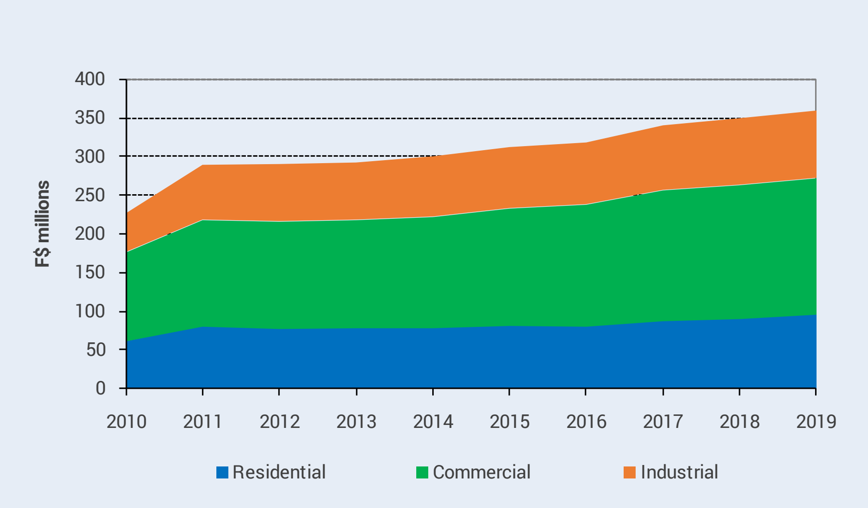
Reliable Power: A Comfort to Families and a Cornerstone for Development

Access to reliable electric power supply is recognized as a key pillar for national development –– particularly for Fiji, as our nation positions itself as a global hub of economic activity. But at the end of the day, it's about more than economic development; reliable power is a comfort to thousands of Fijian families, and a potentially lifesaving resource in times of crisis.

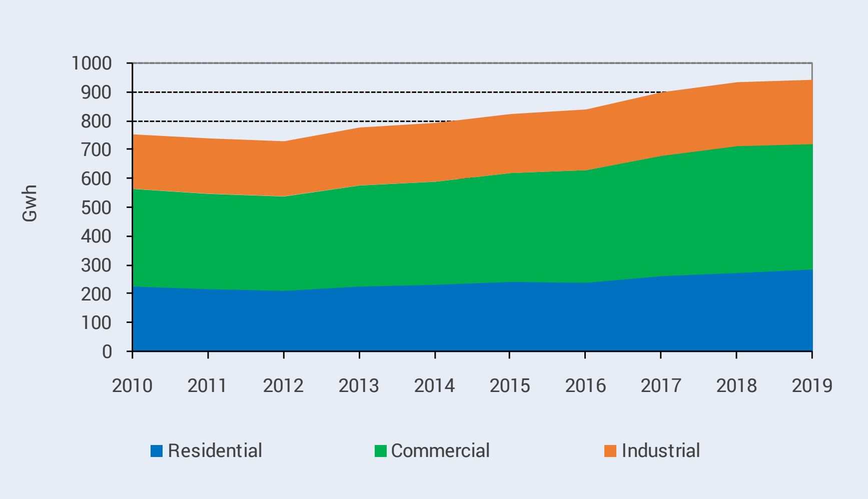
At EFL, we're constantly exploring new strategies to improve the reliability and security of our power supply. That is significant and a steady investment is required to boost resilience across the entire national grid out of recognition of the worsening impacts of climate change.

During 2019, EFL achieved a System Average Interruption Frequency Index (SAIFI) of 5.28 times, well under our target of 8 times for the year. Furthermore, we achieved a System Average Interruption Duration Index (SAIDI) for controllable power outages of 241 minutes, below our target of 400 minutes for the year.

Electricity Sales Revenue



Electricity Sales Volume



EFL also continuously investigate faults on its network, as identified, and make recommendations for improvement. Immediate actions were taken by the relevant taskforce within EFL to rectify these issues and improve general power supply reliability.

Power supply interruptions are largely dependent on severe weather events and other external disruptions. The leading causes of power interruption in 2019 were major maintenance and extension works, heavy rain, lightning storms, motor vehicle accidents that damaged power poles, faults on power line hardware, overgrown vegetation clashing with power lines, third-party damage to EFL underground cables, bushfires and vandalism of EFL assets. Despite these external challenges, EFL achieved high reliability, in part, because of our commitment to develop climate-resilient infrastructure and our rapid and regular maintenance of the national power grid.

EFL has now successfully replaced a reasonable component of its electrical protection relays with more modern and reliable numerical protection relays. That critical work will continue into next year to ensure that the grid is properly equipped to serve a growing population with growing demand for reliable energy.

The Fijian economy is rapidly evolving and EFL is keeping pace with the evolution towards a digitalized economy. We've continued investment to reinforce the power system to ensure greater reliability and security of Fiji's power supply, in line with international benchmarks for power utilities of similar size and orientation.

Allowing aging assets to go without upgrading and repair creates unacceptably high costs over the long term, especially given that some of our power distribution systems have been in service for more than 50 years especially in the Suva city and nearby suburbs. We're pro-actively carrying out upgrade and repair works across the national grid to ensure our assets are fully capable of servicing energy demands and are protected against catastrophic failures. We're carrying out live-line maintenance of power lines at all voltage levels, managing growing vegetation, and deploying appropriate technology to detect and repair defects and restore power in extreme instances. We also wholly replace assets, where necessary, in order to ensure that our grid has the capacity to consistently meet the nation's energy needs.

A review of the 10-Year Power Development Plan was successfully completed, indicating that demand grew as forecasted since 2017. The review reinforced that there is still significant investment required in developing the power sector to meet the long-term renewable energy targets, and to develop redundancies in the transmission network to bring about a step-change in power system reliability.

Further, the establishment of a new 132kV Transmission Network from Virarara in Ba to Koronubu, Ba at a cost of around $75M to cater for the increasing demand of electricity in the North West of Viti Levu is progressing according to plan. This project when commissioned will support Government's Tax Free Zone initiative for commercial development between the corridor from Korovou to Ba. The project is expected to be completed in 2022.

LAND ACQUISITION FOR RENEWAL ENERGY PROJECTS

With extensive stakeholder consultations having been conducted and associated land valuation works carried in 2017 and 2018, EFL's Land Affairs Unit basically focused on assessing and negotiating offers offered by iTLTB and individual owners for the purchase and leasing of respective sites, ensuring that the successful implementation of the SBA's Action Plans, and accordingly the achievement of its KPIs.

1. Qaliwana and Upper Wailoa Diversion Hydro Development Scheme

Pre-feasibility study site visits of the proposed dam and weir sites with Studio Pietrangeli, the Italian Consultant hired by the European Investment Bank (EIB) were conducted in late March-early April, 2019. Feasibility study is in progress, which should culminate with the drafting of a preparatory Feasibility Report. Meanwhile, an Inception workshop of the Terms of Reference of their contract was conducted by Studio Pietrangeli in May, which was attended by invited parties, EU reps, Department of Energy and EFL.

2. Lower Ba Hydro Development Scheme

EFL is liaising with EIB to carry out feasibility studies for the Lower Ba Hydro Development Scheme as well.

3. Namosi Hydro Scheme

EFL settled lease offers from iTLTB for the three project sites namely, Waivaka, Wainikoroiluva and Wainikovu for $1.7M. These three hydro projects will deliver a combined total power capacity output of 32MW and an energy output of 120GWh. EFL is still working on the methodology or model it will adopt for the development of these three hydro schemes in Namosi.

4. Development of 132kV Transmission Network from Virara Settlement to Rarawai, Ba

The Fijian Government has declared the areas between Korovou to Ba in Viti Levu as tax free zone with a certain level of investment.

Keeping the above in mind, Energy Fiji Limited (EFL) is developing its high voltage transmission network for sufficient and consistent power supply to the north-western region of Viti Levu by constructing:

- a 30 km, 132kV transmission line from Virarara, Ba to Koronubu, Ba;
- 132kV switching station at Virarara, Ba; and
- 132/33kV substation at Koronubu, Ba

The route of the transmission line was selected in 2014. Typically, the land is low lying and almost flat for the first 12 km route from Koronubu. Steel pole structures have been considered for this section of the line. The land is generally used for sugar cane farming.

Approximately 6 km of the route lies along the Fiji Sugar Corporation tram line. The remaining 18 km of the country is hilly. This section of the land is generally used for grazing and pine plantation. Steel lattice towers are being considered for this section of the line.

Survey and pegging of all proposed monopole and lattice tower sites along with Virara 132kV switching station site and Koronubu 132/33kV sub-station site has been completed by EFL. EFL has almost completed the acquisition of the proposed sites for the transmission line and further has acquired the sites for the substation and switching station. The EPC tenders for the construction of the transmission line, substation and switching station have been awarded and construction will hopefully commence towards the end of 2020 subject to the lifting of the COVID-19 restrictions worldwide. This Project will cost around $75M.

5. Qeleloa 5MW Solar Farm

EFL will engage into an IPP agreement with Sunergise Limited for the development of a 5MW Qeleloa Solar farm. This project, to supply clean and sustainable energy to the Viti Levu grid is worthwhile as energy demand is increasing yearly.

6. Development of 1MW Solar PV Farm at Mua, Taveuni.

The Korean International Cooperation Agency (KOICA) has signed a Memorandum of Understanding (MoU) with the Government of Fiji (Ministry of Economy) to procure, install and commission a 1.0MW Solar PV plant in Mua, Taveuni with some battery storage. This will add to the Island's existing renewable energy portfolio and help to meet future energy demand. The Ministry of Economy on behalf of the Government of the Republic of Fiji has committed EFL to this MoU as the implementing agency. As such, EFL will take the necessary measures for the successful implementation of the Project. The project is in tender stage, and the operation of the solar farm is expected by first quarter of 2021 depending on the lifting of the COVID-19 restrictions on travel globally.

Additional tasks undertaken by the Landowners' Affairs Unit were as follows:

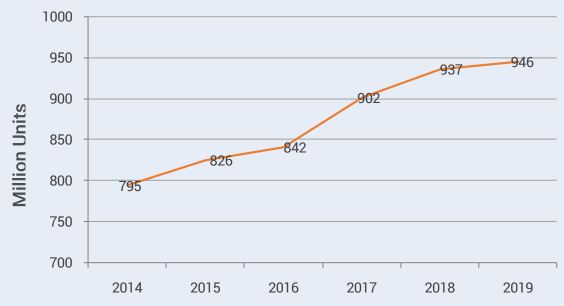
(i) Pegging and wayleave clearances for all rural electrification schemes for 2019.

(ii) Clearances for individual commercial and industrial applicants for power supply upgrade within Suva City.

(iii) Securing approvals for major grid extensions in the Central, Western and Northern regions.

Years	Prepaid	Postpaid	Consumer Count	Increase In Consumer Base	% Growth
2014	22,451	144,566	167,017	-	-
2015	23,548	148,391	171,939	4,922	2.95%
2016	24,601	149,929	174,530	2,591	1.51%
2017	26,387	156,026	182,413	7,883	4.52%
2018	28,517	161,887	190,404	7,991	4.38%
2019	37,517	161,503	199,020	8,616	4.53%

Consumption Growth from 2014 to 2019



Energising a Record Number of Fijians

As Fiji enters an unprecedented decade of economic growth, and with more Fijians enjoying a higher standard of living and a thriving business environment, our nation's demand for energy is booming.

Thanks to our forward planning and prudent management, EFL stands ready to meet these growing needs. In 2019, our total number of customers rose by 4.53% to 199,020 –– up significantly from the 190,404 customers from exactly one year prior.

This record-breaking customer base is made up of 37,517 prepay customers and 161,503 post-pay customers, compared to 28,517 prepay and 161,887 post-pay customers in 2018. This isn't some one-off phenomenon, either; the chart to the left depicts the growing trend of EFL's customer base for the past five years.

A further breakdown of these customers reveals that EFL's client base is as dynamic as the Fijian economy; in 2019, we had 108 large-scale industrial customers, 19,874 commercial customers and 179,038 domestic customers (including private residences, places of worship, other institutions and street lights). The year-over-year change was mainly attributed to domestic and commercial customer growth.

Our growing customer base runs parallel to a growing national demand for energy; 2019 saw a 0.90% across the-board increase in demand, expanding from 937 million units in 2018 to 945.5 million units in 2019. This represented a 4.28% increase in domestic demand, a 1.06% decrease in commercial demand as a result of the slow down in the global economy which also impacted Fiji and a 0.61% increase in industrial demand.

SPREADING THE BENEFITS OF ELECTRICITY TO LOW-INCOME FIJIAN FAMILIES

The Fijian Government has committed itself to assisting low-income households access the tremendous personal and economic benefits of electric power and, through EFL, actively subsidises electricity costs for families with a combined household income of $30,000 or less per annum. This allows residential customers to save 48% on the first 100 units of electricity usage per month at a rate of 16.34 cents per unit VAT exclusive price (VEP), resulting in a cost to customers of only 17.67 cents per unit (VEP).

For primary and secondary schools, a step-up subsidy is in place, where the first 200 units consumed in a month are subsidized at a rate of 12.85 cents per unit (VEP), resulting in a total cost of only 21.16 cents per unit (VEP). Units beyond 200 are charged the full institutional tariff of 34.01 cents per unit (VEP) effective from 1st October 2019. A total of 965 schools benefited from this subsidy in 2019.

A newly-restructured subsidy scheme was introduced in August 2017 and has since been aggressively publicised to eligible families, including during the company's free share offering. This campaign resulted in a huge increase of 20,387subsidized customers in 2018 and 2019, meaning an impressive 32,346 Fijian households now have access to highly-affordable electricity.

DEMAND-SIDE MANAGEMENT

To ensure that our customers are billed fairly and correctly, it is critical that EFL's electricity meters are functioning accurately; that's why we're undergoing an ambitious meter recalibration project. This initiative is targeted at Fiji's larger energy commercial and industrial consumers and is carried out in batches of 150 customers each year.

We are also regularly scanning prepay customers' meters and pro-actively recommending corrective measures when and where appropriate. In addition, to help customers become more responsible and efficient in their use of energy, technical advice and billing data are made available.

EFL's reactive energy policy was strictly enforced in 2019, with penalties imposed on those customers who used excessive reactive energy, failing to comply with the power factor requirements as stipulated under the Electricity Act. Year-over-year excessive reactive power usage by customers decreased by 31.91% in 2019 as compared to 2018.

ELECTRICITY TARIFF METHODOLOGY

On 1st October 2019, the FCCC approved the new regulatory framework for the energy industry which includes the methodology for determining the electricity tariff. Some of the features of the new tariff methodology are outlined below:

- the tariff methodology will be based on the Regulated Asset Base (RAB) model which allows EFL to generate a fair return on its investment in the power sector.
- the tariff methodology is also driven by the allowable revenue concept whereby EFL is allowed to recover cost prudently and earn a fair return.
- the tariff will be reviewed every 4 years under the regulatory cycle. The next review will be held at the end of 2023.
- annual review of cost indices to account for uncontrollable expenditures:
- ad-hoc review of the tariff to account for extra ordinary events such as natural disasters.

The above regulatory framework provides EFL and other key stakeholders greater degree of certainty and transparency with the commercial aspect of the Industry.

CONSUMER SECURITY DEPOSIT

Based on changes in our customers' consumption patterns, a review of their consumer security deposits are carried out periodically to ensure that sufficient deposits are held as security by EFL. Customers currently have the option to either pay their consumer security deposit in cash or provide a bank guarantee to EFL.

CUSTOMER ENGAGEMENT IN A DIGITAL ECONOMY

The digital age is transforming everything. It is also boosting productivity, exposing companies to new innovative ideas, technologies, new business models and creating new channels of market and communication convenience to suit customer's needs. For EFL's valued customers, the benefits are associated with more access to the services at any time of the day and from the comfort of their homes, offices or wherever they may be.

It is evident that the mobile culture and behaviour in Fiji is prominent and from the continuous growth of the mobile industry, it is safe to conclude that the mobile phone is the fastest and easiest way to reach both business and personal consumers with important messages.

EFL continues to exploit on SMS texting platform to reach its customers for awareness on planned, unplanned power outages, bill reminders, no meter access reminders and any other awareness created for EFL's customers.

In addition to this, EFL has also activated a Facebook page for the convenience of its customers to communicate directly with EFL.

EFL continues to explore the benefits of EFL customers mobile users in Fiji and now has introduced a new technology called "Bill On Demand" where customers can dial *1333# and go through the process to get bill balance and the due date. This is extremely convenient to customers and will also assist to reduce call volume from customers wishing to know their bill balance and due date.

EFL Business Card has also been introduced in 2019 where smart phone customers can capitalize on and utilize to scan QR code on the business card from their smart phone and gain access straight to either "Noqu EFL Portal", EFL website or the EFL Facebook page to access EFL services.

EFL has also introduced On-line Web-chat for communication convenience to suit customers' needs. Live chat assures our customer that we are here when they need us. This is very simple yet very efficient and effective. An added value for improving both customer service and loyalty.

EFL has also introduced two new features in the Contact Centre where as soon as there is a major unplanned power outage an announcement concerning this outage will be activated on the main incoming lines 132333 and 5333. A call back message facility has also been introduced for customers that cannot wait in the Queue. Customers will leave their name and number and a CSR will call them back.

INFORMATION TECHNOLOGY

With the Fijian Government's strong focus towards digital transformation, EFL continued with its efforts in improving its systems and processes to improve customer experience, reduce operating costs and mitigate business risks.

Various initiatives and projects for 2019 included:

- The upgrade of EFL's HR Self Service platform to enable staff to have real-time, online access to their personal HR and payroll information, including online leave applications & approvals.
- The implementation of an online chat facility on the EFL website allowing customers to engage in live chat sessions with EFL customer service agents. This facility also allows customers to leave behind messages which the EFL agents can respond to later the same day.
- 24 x 7 Bill-on-Demand where customers can text their EFL account number and an instant message will provide their account balance details.
- Introduction of fillable application forms which customers can complete and email to EFL or print and submit.
- The commencement of the design and development of an online mobile app will enable customers to have real-time access to their account and other information on their smart phones in the early part of 2020.
- The EFL IT team has commenced exploring the use of Artificial Intelligence (AI) and Chabot's to automate the most frequent and generic queries such as account balance and power outage information to be answered automatically without the need for any human intervention.

EFL recorded a high systems availability of 99.971% in 2019, which was above the target for the year of 99.88%.

CUSTOMER CARE CENTRES

Knowing and understanding customer needs are at the centre of every successful business. Once you have this knowledge you can use it to improve your customer satisfaction level and customer retention. EFL has opened two (2) additional Customer Care Centres in 2019 and has brought the total numbers of Customer Care Centres to nine (9).

Savusavu Customer Care was opened on 24th January, 2019 and Rakiraki Customer Care Centre was opened on 1st October, 2019. All EFL services are provided from the two (2) Centres except for bill payment which is still being carried out at the Carpenters Max-Valu agents in Savusavu and Rakiraki in addition to the other payment agents. In the past, Savusavu customers used to be served from our Power Station complex but we have brought our Customer Care office in town so customers can easily access our services. The office is located on the main street of Savusavu town behind BSP Building. EFL has also signed a partnership Agreement with Water Authority of Fiji where the two organizations would operate from the same office.

The opening of the new Customer Service office in Rakiraki will greatly benefit EFL customers in Rakiraki and surrounding areas and also the Electrical Contractors can now lodge their permit for new applications, broken service mains or meter upgrades etc from the office without delay. Rakiraki Customer Service Office is located at Shiu Prasad's Complex, FSC Road.

A total of 193,466 customer visits were made to our Customer Care Centres in Central, Western and Northern divisions.

2019 was also the first year when EFL's electricity domestic account holders, who have qualified as the 5% non-voting shareholder, were distributed dividends after the profit sharing was approved by the EFL Board.

CUSTOMER SATISFACTION SURVEY

To establish the present level of customer satisfaction with regards to EFL's customer services, EFL conducts a customer satisfaction survey every year to gauge how EFL customers rate our services and their views are important to EFL to improve our Customer Services and yet bring it to another level. Survey forms are normally included in the December bills as bill inserts and also available at all Customer Care Centres and On-line-facility. As an appreciation of customer commitment to answer these six (6) questions, customers also have a chance to go into the draw to win cash prizes. 1st prize is $1,000, 2nd prize is $500 and 3rd prize is $250. Consolations prizes are also given to customers and these includes EFL T/shirts and EFL Caps. Winners will be randomly picked out of the boxes. In 2019, our target to improve customer satisfaction ratings was 92% for residential customers and 90% for commercial and industrial customers.

Customer Visits 2019

Central	64,314
West	110,147
North	19,005
Total	**193,466**

CONTACT CENTRE

2019 was another exciting and challenging year for the EFL Contact Centre. Over the years, we have experienced adverse weather conditions and an active cyclone season which resulted in unplanned power outages. With offices in Suva and Vuda open 24 hours a day, seven days a week, EFL's contact centres were available to help Fijians with their electricity needs throughout it all, simply by dialling "132-333" or through the EFL short code, "5333". Over the course of the year, our contact centre deftly managed flows of information from hundreds of thousands of customers ranging a diverse field of topics, including questions about free EFL shares, Walesi, the revised 2017 electricity subsidy, review of consumer security deposits, disconnection and reconnection of electricity accounts, prepay customer issues, e-billing facilities, new connections, the "Noqu EFL" portal, and planned and unplanned power outages. In total, we received 515,814 calls during the year, or an average of 42,984 calls each month.

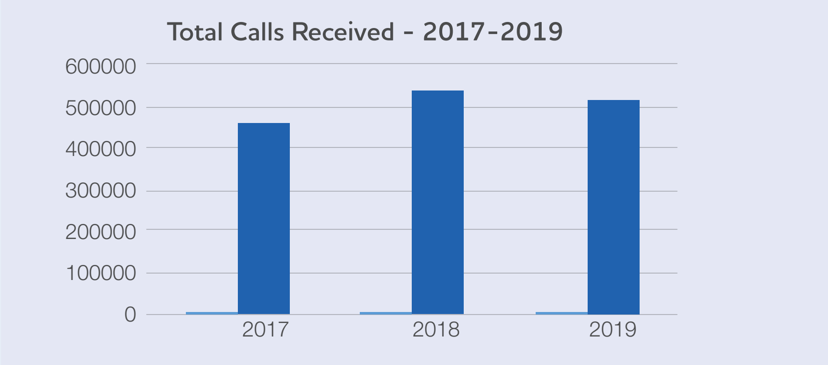
When it comes to customer service, EFL's measure of success is based on timeliness; our benchmark is that 80% of total calls to be answered within 20 seconds. Even with 2019's sizable increase in calls, our Grade of Service (GoS) for 2019 was 84.2% of the total calls answered within the 20 second mark, with only 6.5% of calls abandoned.

Customer Calls 2017 - 2019

Contact Centre Activity	2017	2018	2019
Total Calls Received	459,815	539,913	515,814
Grade of Service (GoS)	91.4%	86.0%	84.2%
Abandoned Rate	4.3%	6.2%	6.5%

FINANCIAL FLEXIBILITY THROUGH PREPAY

Fijians living in our most rural communities often don't have access to the same payment methods that too many of us take for granted in the cities and towns; for them, the ability to post-pay their monthly bills may be difficult or impossible. Meanwhile, these customers still deserve the same access to electricity that is enjoyed by the rest of the country. That's why EFL is constantly seeking financially-innovative solutions that ensure all Fijians are able to keep the lights on. Our prepay system is one such solution, granting rural customers the freedom to pay for their electricity when it is needed simply by visiting their local vendor to pay for tokens and then inserting the tokens in their EFL-installed prepay metres, or, alternatively, paying using their mobile phones. We were proud to serve a total of 37,517 rural customers on prepay meters in 2019 –– 9,000 more than the year 2018.This increase in number came about because of a new project initiated where certain rural areas with Post pay meters were changed to prepay meters.



Customers purchase digital electricity tokens from the comfort of their homes, simply by using either the Vodafone M-PAiSA or Digicel mobile wallet platforms and sending an SMS text to receive a token. To accompany this digital evolution and ensure a smooth transition, EFL engaged prepay customers in an educational campaign that guided them through the new process.

A CLOSER CUSTOMER CONNECTION

At EFL, we're constantly striving to keep our customers ahead of the curve when it comes to new developments in the energy sector. That's why, in 2019, we continued our efforts to raise awareness on energy safety and savings through a nation-wide series of presentations that were conducted in schools and communities. We maximise exposure of our safety messages by printing them on electricity bills and bill inserts. SMS texting was also to remind customers of bills that are overdue and need to be paid. EFL's Facebook page and website added to our communications mix to actively inform our customers of any planned and unplanned power outages.

EFL continued to grow a paperless e-billing system, allowing customers to sign up to receive their monthly bill statements via email. All digital account management and oversight are centralised on the "Noqu EFL" portal, which grants customers the ability to monitor their electricity usage online and compare month-to-month rates, adding a new level of convenience and cultivating electrical energy literacy.

Our easy-to-use "913" emergency hotline was also available for Fijians to call for help in case of dangerous power-related emergencies. 14,175 total calls were received in 2019, of which 4,707 were determined to be genuine emergencies and which were dealt with promptly and appropriately from our National Control Centre in Vuda.

In line with our overall customer focus strategy to remain easily accessible to our customers whenever they need us, EFL also introduced mobile short code "5333" to its customers. This easy-to-remember, four-digit number ensures that our customers will be able to get in touch with EFL in a more expedient manner, operating 24 hours a day, seven days a week. By dialling 5-3-3-3, mobile users can lodge complaints and inquiries, manage their billing, and alert us of power outages in their areas. Already covering the vast majority of Fijian mobile users, connectivity is currently offered through Vodafone, Digicel and Ink at normal mobile-to-mobile rates, with EFL actively exploring partnerships with other telecommunication networks.

With all the digitalization initiatives EFL continues to visit customers in villages and settlements to keep them abreast with the new developments which they can use from the comfort of their homes.

Independent Power Producers (IPP)

There are 5 independent power producers (IPP) Fiji wide that are exporting into the EFL grid. The five (5) Independent Power Producers exporting into the grid are as follows:

1. Tropik Wood Industries Ltd
2. Nabou Green Energy Ltd
3. FSC – Ba, during crushing season only
4. FSC – Lautoka, during crushing season only
5. FSC – Labasa, during crushing season only

TRANSMISSION NETWORK DEVELOPMENT PROJECTS

1. Thanks to the assistance from the European Investment Bank (EIB), EFL has undertaken a comprehensive study aimed at identifying innovative ways to improve reliability and security of Viti Levu's power supply. EIB has completed their study of the 132kV transmission network development necessary to evacuate power from Monasavu/Nadarivatu Hydro projects and to cater for the new renewable power generation projects such as the Lower Ba and the Qaliwana and Upper Wailoa diversion Hydro projects. EIB has submitted their final report in 2019.

2. A new 132kV/33kV substation in western Suva will be required to augment/support the existing 33kV/11kV Hibiscus Park substation. This will be required to capture additional hydro power from the 32MW Namosi hydro development.

3. A 36km 132kV single circuit (constructed on double circuit structures) transmission line connecting the Namosi hydro development project and the proposed 132/33kV substation in western Suva will need to be constructed.

MONASAVU HYDROELECTRIC SCHEME HALF-LIFE REFURBISHMENT

Work on the Monasavu hydro-electric scheme half-life refurbishment project, which commenced in 2013, continued through 2019. As at the end of the year, the project's total expenditure stood at around $100 million which was all funded by EFL from its internal cash. Further work will continue over the next two years with an additional cost of around $70M. On completion of this refurbishment project, the life of the Hydro-Electric Scheme will be extended by another 30-40 years.

UPGRADING AND EXPANDING OUR TRANSMISSION NETWORK

The project to install new 33kV underground cables from Cunningham Road substation to Hibiscus Park substation which commenced in 2018 was successfully completed with the double circuit 630mm2 cables being commissioned in December, 2019.

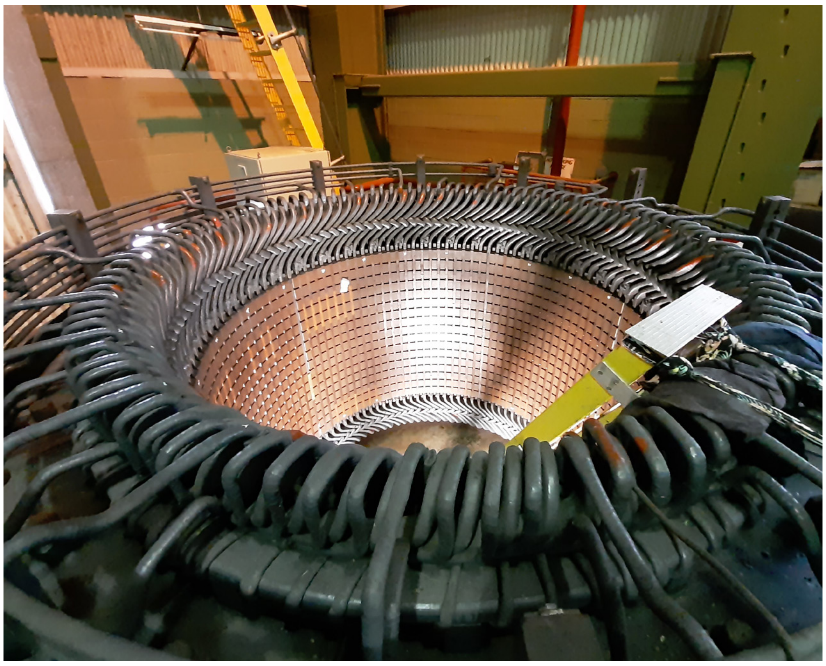
Tender for the upgrade of the 132kV Mimic panel at the Vuda substation was awarded and a purchase order issued to the supplier. The design of the mimic panel has been completed and the project is expected to be completed in 2021 subject to COVID-19 restrictions being lifted in a timely manner globally.

EFL network line mechanics carrying out live-line maintenance on the 132,000 volts transmission line without putting off the power supply to our valued customers.

Replacement works for all 132kV disconnector/isolator/earth switches in EFL's power system continued, with a further five units replaced throughout the year. While the ambitious disconnector replacement project has faced obstacles (such as difficulties in obtaining the necessary planned power outages to execute the works), it is expected to be completed by 2022.

EFL commenced work on the second phase of rust refurbishment work on 51 lattice steel towers along the 132kV transmission line. As at the end of December 2019, rust refurbishment work had been completed on 17 towers. Preparatory work was also carried out to complete the rust refurbishment work on the remaining towers along the 132,000 volts Wailoa – Cunningham road transmission line with tenders being called for the rust refurbishment works, and tenders being called and awarded for the construction of access roads to these towers. The entire rust refurbishment project is expected to be completed by 2024 at a cost of $40 million.

Work continued on the project to replace the aged 132kV/33kV transformers at the Cunningham Road and Vuda zone substations and carry out related switch-yard upgrading works. Design review for the transformers was completed, and tenders were called for the civil works associated with the transformer pads, as well as for the supply of 132kV circuit breakers and disconnectors for the project. This project is expected to be completed by 2021 at a cost of $36.2 million. This project is critical to ensure security of supply of Hydro Power to the entire Viti Levu customers.



EFL contractor MB Century with their Engineers installing the new Generator rotor at one of the gen-sets at the Wailoa Hydro Power Station. The cost of the Project was around $10M. This was internally funded by EFL from its internal cash flows. EFL is expected to spend around $200M on the entire Monasavu Hydro Scheme half-life refurbishment work which commenced in 2013.

ZONE STATION UPGRADING

Work continued on nationwide upgrades to EFL's infrastructure network, increasing the capacity of substations and laying the groundwork to meet Fiji's growing demand for energy.

The aged 2 x 33kV/11kV transformers at Sawani zone substations were replaced at a cost of $4.3 million to ensure security of supply to the water treatment plants and the surrounding areas in Nausori district.

The 33kV switchboard that was damaged during flooding at the Natadola 33kV/11kV substation was also replaced in 2019 to ensure security of supply to Intercontinental Hotel and the surrounding areas in Sigatoka district.

Work continued on the project to upgrade the aged 33kV/11kV transformers at the Rarawai, Sigatoka and Wailekutu zone substations. Design review for the Rarawai and Sigatoka transformers has been completed. Civil work for the transformer pads at Rarawai substation has commenced, while tender for the civil work for the transformer pads for the Sigatoka transformers has been awarded. Tenders for the new transformers for the Wailekutu zone substation have been called. This project will ensure security of power supply to the Ba district, Sigatoka district and Lami and Navua districts at a cost of around $15M.

All across the nation, EFL is upgrading its infrastructure network and increasing its capacity, effectively laying the groundwork to meet Fiji's growing demand for clean and affordable energy.

Work commenced on the establishment of two new 33kV/11kV zone substations at Naikabula, Lautoka and Denarau, Nadi at a cost of around $19M. This project will ensure security of the existing power supply and will cater for increase in demand in these areas.

Upgrading works being carried out by EFL personnel at Sawani zone substation.

Human Resources

A NEW VOICE FOR OUR EMPLOYEES

There were 171 new employees that joined the Energy Fiji Limited in 2019.

The year started off with a grand successful hosting of the Corporate Sports Fun Day and Awards Night, the first for EFL's 800 employees. The event was held on 30th March, 2019. Employees from all regions came together as one family to make this event a memorable one for 2019. The Safety Awards Prize money was doubled by the Chairman of EFL which created a lot of excitement on the awards night and also showcased how serious EFL is when it comes to Safety.

FIJI HUMAN RESOURCES INSTITUTE (FHRI) AWARDS

EFL sent a total of 20 submissions for the Fiji Human Resources Awards 2019. This was the first time that EFL has sent such a high number of submissions.

The EFL Human Resources Team was given recognition at the FHRI Awards Night 2019. The journey of the awards had begun in June 2018 and it has been an interesting journey for everyone in the HR SBA. The Team scooped the following awards:

1. HR Rising Star Gold Award - Farihah Bi
2. HR Rising Star Recognition Award - Rishad Khan
3. HR Practitioner Recognition Award - Ronald Chand
4. HR Practitioner Judges Award - Shovnil Prasad
5. Learning & Development Recognition Award
6. Health & Safety Gold Award

The EFL Human Resources Team was given recognition at the FHRI Awards Night 2019.

LEARNING & DEVELOPMENT

Growing Human Capital

EFL embarked on a 3 year Training Needs Analysis i.e. 2019 - 2021. Thereafter, a 3 year Training Plan was developed that focused on providing operational trainings that would equip our teams to perform better.

EFL recognizes that training and development is an investment not only in our people, but in our company's future. We are therefore committed to the robust career development of all our staff, allowing them to fully tap into their talents, skills and abilities to better serve themselves, EFL, and our customers.

In 2019, EFL recruited 45 Apprentices, 12 Trainee Line Mechanics and 5 Trainee Cable Jointers.

EFL employees underwent training in various areas, including, management, occupational health and safety, fire drills and employment relations.

The principal aim of EFL's training policy is to link staff development and training to our broader corporate goals and objectives and align them within the company's succession planning, in addition to progressing the individuals career goals of our staff. We took a holistic approach to staff development, including training that equips our staff with the necessary skills to enable them to perform at their best.

Training for the Future

The Training Team worked to ensure all Trainings for 2019 were recorded in each employee's personal database, an initiative that EFL embarked on last year. This programme has been designed for EFL to track our training journey, increase accountability, share and explore new ideas.

EFL is now armed with relevant and vital statistics that focus on providing real time data and information for decision making. 51,827.60 training hours were spent on 867 employees which averages to approximately 60-hours per employee training in a year.

EFL Staff being trained in the "Seven Habits Training Program" relating to Seven Habits of Highly Effective People.

Japan International Cooperation Agency (JICA) Assistance

In collaboration with Pacific Power Association (PPA) and the Japan International Cooperation Agency (JICA), EFL hosted a 2 weeks **Regional Training for the Introduction of Hybrid Power Generation System (HPGS) in Fiji.**

28th PACIFIC POWER ASSOCIATION (PPA) ANNUAL CONFERENCE

Two (2) Engineers attended the 28th PPA Annual Conference (Benchmarking) from 1st - 5th July 2019, in the Cook Islands.

1. Kamendra Narayan Swami - Mechanical Engineer
2. Mohammed Zainal Alim - Electrical Engineer Design & Planning

LINE MECHANIC GRADUATION

14 Trainee Line Mechanics completed their Line Mechanic Training program to become a fully-fledged Line Mechanic. The Line Mechanic Training program is an intensive 3 year program which require "on the job" training in the areas of Transmission, Distribution, Transformer Workshop, Operation & Maintenance, Construction (Overhead/Underground) and Technical Support.

Fiji for the first time hosted the 52nd Annual Meeting of the Asian Development Bank at Denarau in 2019.

OVERSEAS TRAINING FOR OUR TRAINERS

1. At Thomson Bridge, Australia

Thomson Bridge is a utility training provider in Melbourne, Australia specializing in power and traction. Two (2) of our Training Officers were trained by them in December 2019 to review our Training Program outlined below to achieve Australian Level 4 grading:

1. Train the trainer program in Generation, Transmission, Distribution and Cable Jointing
2. The Bridge - online record management system and worker cards
3. Review and develop tailored training and assessment materials for:
   - Tower Rescue
   - Cable jointing
   - Live Line
   - Line Mechanic
   - Generation
   - High risk work
   - HV Test Centre
   - Renewable Energy
4. Provide an ongoing access to design and customising our training programs keeping in mind both the Fijian and Australian Standards
5. Certification of Training/Qualification

Under this partnership, EFL will also create a Centre of Excellence in line with EFL's Innovation Strategy which will establish, design and deliver training for EFL employees and contractors to the industry best practices.

2. At Cookes, New Zealand

Two (2) of our Health and Safety Officers were sent to New Zealand for training and industrial visits.

The following trainings were conducted:

a. Working at Height
During the training the participants were taught the basic skills of carrying out inspection of safety equipment utilised at various heights such as Safety Harness, Ladders and Rope Slings. The trained personnel will now be able to inspect and maintain this type of safety equipments for EFL to avoid accidents and determine how and when to retire any safety equipment.

b. Work Place Assessor
During this training the participants are taught how to use the Standards to carry out assessment of work place and prepare candidates for assessment against Standards. The training programs can be developed and assigned based on Industrial standards that are commonly used by New Zealand organization to carry out Workplace Assessments.

3. At North Power Electrical, New Zealand:

North Power Electrical Utility Company in Whangarei, New Zealand was visited by the Team where EFL's best safety practices were shared with the counterparts in North Power. The Team was able to see how Health & Safety is managed in an Electricity Utility Company in New Zealand. North Power was able to show the Team:

- How refresher trainings are carried out
- Tools and equipment used to improve workmanship
- How Health & Safety matters are addressed with the Teams
- Software used by North Power to monitor Health & Safety matters of the organization.

4. At Huntly Power Station, New Zealand

Huntly Power Station operated by Genesis NZ located in Huntly in Waikato, New Zealand was visited by the EFL Team as part of the industrial visit. This is the largest thermal power station in New Zealand with the capacity of 1000MW. The Team was able to discuss the following:

- How lifting equipments and lifting slings are inspected and tagged
- What system is used to record Health & Safety matters of the organization
- How are personnel disciplined after Health and Safety breaches are committed.
- Methods of improving Health & Safety in the organization.

5. At Pelco Ladders, New Zealand

Pelco Ladders in Palmerston North was also visited as part of the Industrial visit. Pelco Ladders is the supplier of ladders that are being used in EFL. EFL has been using Pelco ladders for many decades thus it was ideal for the Team to meet the ladder manufacturers. This gave the Team an insight of what methods are used to ensure ladder quality is not compromised. The Team was able to see:

- How the Ladders are actually fabricated?
- What are the techniques used to identify damages on the ladders?
- How the defective ladders could be repaired and retested to be used by EFL?
- How to carry out visual inspection of ladders to determine whether they are safe for use?

PROGRAMME IN SOLAR ENERGY FOR MASTER TRAINERS

EFL collaborated with Indian Technical Economic Cooperation (ITEC) for the Solar Energy for Master Trainers. Our 3rd Year Graduate Engineer, Vinal Vineet Prakash, travelled to India for the Training for 3 weeks. Training Team has met the Technical Officer based at the High Commission of India, Suva to explore further technical trainings.

PROGRAMME FOR MANAGEMENT OF POWER UTILITY

EFL collaborated with Japan International Cooperation Agency (JICA) for Management of Power Utility Training. Unit Leader Distribution Western, Saimone Rogoimuri, travelled to Tokyo, Japan for the Training for 2 weeks (22/02/19 - 03/03/19).

Seven HABITS Training

122 EFL Staff were trained in the "Seven Habits Training Program" relating to Seven Habits of Highly Effective People.

Critical Practices of Leading a Team

147 EFL staff were trained in the "Critical Practices of Leading a Team".

Team Excellence Symposium

Fifty (50) employees attended the National Training & Productivity Centre (NTPC) Team Excellence Symposium competition under our Innovation Management Framework in both Nadi and Labasa. The participating teams were:

1. Team Matrix (Telecom and SCADA - West) - awarded 2 Star rating
2. Team Dynamics (Customer Services, Inspection & Planning - West) - awarded 1 Star rating
3. Team Sky (Network - Labasa) - awarded 1 Star rating
4. Team Elite Raptors (Network & Planning - Labasa) - awarded 1 Star rating

HEALTH AND SAFETY

EFL employees look after 113 power generating plants with a capacity of around 250MW that supplies power to over 190,000 customers through more than 10,500km of power network. The safety of the 800 plus EFL employees that live and work around EFL's electrical network is paramount, including the safety of our customers, the community and contractors working near our assets. Safety is a key reporting matrix at EFL and is deeply rooted in our culture which is reflected in our Safety Vision of Production, Zero Injuries.

Health, Safety and Wellbeing Strategic Plan-EFL SAFE 2022

To realize our Safety Vision, we took a major step in 2019 to develop a Health, Safety and Wellbeing Strategic Plan intended to address the prevailing standards of health and safety in EFL and responding to changes in technology and adopting changes in global best practices. This Strategic Plan, EFL SAFE 2022 - Shaping the Future of Workplace Wellbeing in EFL outlines our health, safety and wellbeing strategy for the next 3 years (2020 to 2022) focusing on the key strategic areas below:

- Health and Safety Leadership
- Risk Management
- Competence & Knowledge
- Workplace Safety & Wellbeing Culture
- Health & Fitness

This plan will be launched in the first quarter of 2020.

Positive Intervention Measures to Improve Health and Safety

1) Developing the Strategic Plan, EFL SAFE 2022 and launching in first quarter 2020
2) Implementation of the Safety & Vision Card
3) Initiated Hazard Identification & Control Exercise (HICE)
4) Introduced Health and Safety Pledge
5) Health & Safety Records are now all Online

- All hazard reporting is now electronically submitted effective 1st March 2019. This provides more power to the employees and gives a tracking trend.
- Post any vehicle accident. Drivers can now fill vehicle accident report electronically effective 1st March 2019.
- All Health & Safety Committee Meeting Minutes is electronically submitted effective 1st March 2019.
- All work related injuries costs up to rehabilitation is now electronically submitted and calculated.
- PPE issuance is electronically submitted and all expiry dates are now system monitored and relevant inspection dates is captured.

6) Health & Safety Awards were expanded to 1st and 2nd runner up categories.
7) Reviewed the Health & Safety Awards criteria

INNOVATION

Energy Fiji Limited became the first organization in Fiji to implement its own Innovation Management Framework. Innovation Management Framework was in research since 2014. While the Fiji Electricity Authority then was heavily concentrating on the Quality Circles Project Teams and benefiting from its participation, the Leaders, did foresee at that time, that we will, going forward need a Fijian Framework that will belong to its people, thus, the research began in 2014 to have an Innovation Management Framework.

The Innovation Management Framework was implemented on 2nd January 2019, replacing all other borrowed programs such as the Quality Circles, Fiji Business Excellence Awards, 5S, etc. 90% of our workforce were trained in the Innovation Management Framework and 43 Innovation Teams were formed.

Innovation Management Framework was presented at the National Training & Productivity Centre's Excellence Symposium. The Innovation Management Framework was shared with few local companies. The Innovation Management Framework is currently under review with international bodies and it is our intention that the Innovation Management Framework will be accredited in the next 3 years with its successful implementation at Energy Fiji Limited.

The Innovation Management Framework forms a greater part of Energy Fiji Limited's value of Innovativeness and the vision seen in 2014 today is a reality amongst the current EFL's workforce. The Innovation Management Framework currently is at the ideation stage which means it is currently preparing our Teams to think innovatively, giving them a breathing space to think beyond, providing them with a platform structurally and preparing them to present their BIG ideas in the upcoming Innovation Convention planned for 2020.

85% of our EFL employees have undergone the Innovation Management Framework Training. There is 43 Innovation Teams across EFL.

COMMERCIAL DIVISION

EFL's Commercial Division comprises of two major operational units –– the Supply Chain Unit and the Regulatory Unit –– with a combined workforce of 85 team members as at the end of 31st December, 2019.

Supply Chain Unit

The Supply Chain Unit is the doorway through which purchases of any goods and services are carried out within EFL.

2019 saw the Supply Chain Unit continue its ongoing focus in optimizing performance in critical operational areas, including the Procurement of Goods and Services (including tenders and contract management), Inventory Management, as well as Fleet Management and Property Management Services.

This was achieved by specifically implementing action plans for the following key strategic objectives designated to provide improved output to EFL's internal and external customers:

- FASTER: Increase speed of delivery of goods and services.
- BETTER: Improve quality of goods and services.
- MORE AFFORDABLE: Reduce costs of providing goods and services.

Supply Chain Unit 2019 Performance Outcomes

Given the corporate and aligned divisional objectives, the following primary outcomes were achieved in 2019:

i) Procurement of Goods & Services:

- The Supply Chain Unit played a critical role in driving the tendering and procurement processes, preparing and negotiating contracts, and other project oversight that helped EFL meet its key performance indicators for core strategic business areas.

- The Unit also contributed towards the successful commissioning and completion of 98 governments rural electrification projects across Fiji and 71 general extension projects for commercial and industrial customers.

- In terms of the actual average tender turnaround time (for tenders valued between $10,000 and $100,000), 5.9 weeks was accomplished for the year against a target of six weeks.

- Initially aim to achieve $1.5 million in financial savings through procurement and tender negotiations. The supply chain achieved an all-around savings of $2.9M in 2019 conducting negotiations on the original tender bids.

ii) Sound Inventory Management, Vigilance and Best Practices:

- The Unit implemented sound inventory management and adhered to industry best practices, achieving a normal operating inventory stock holding level (not including fuel and engine spares) of $10.55 million against a target of $11 million.
- Our stock turn target (improvement of stock utilization rates) of 6% was exceeded, with 8.5% stock turn achieved. This indicates that EFL's stock items were managed and turned over efficiently throughout the year, contributing to savings in EFL's working capital.
- The year's stock take variance was recorded at 0.002% against a target 0.01%.
- Preferred Supplier tenders were called to assist the supply chain unit to procure inventory on a timely manner, avoiding stock outs and to provide efficient service to its internal and external customers to achieve set targets.

iii) Fleet Services:

- The Fleet Management Section did well in 2019 considering only 6 core staff managed the entire Authority's fleet of more than 300 vehicles including some very crucial specialized live-line equipment crucial to the organization's operations and maintenance works.
- While the year's target for corporate fleet accidents was not met, our fleet teams continued to work closely with their colleagues in Health and Safety to further reduce driving risks through specific training programs such as defensive driving, fleet manual improvements, roadshows, including driver attitude training and specialized vehicle training.
- To further increase the safety of our drivers, an additional 75 fatigue monitoring systems were installed in EFL's operational vehicles in 2019. The technology monitors driving behaviour for signs of fatigue, triggering warning alarms if the driver is exhibiting symptoms of tired driving and alerting their supervisor for help.

iv) Property Services:

- All EFL property, including depots and power stations, benefited from constant monitoring and monthly maintenance throughout the year, ensuring well serviced buildings and optimal asset upkeep.
- The EFL team had worked closely with various Departments within EFL to successfully refurbish and deliver three new Customer Care Centres in Nausori, Sigatoka and Rakiraki, and also initiated major refurbishment works valued at $616K for the Monasavu staff quarters in order to provide EFL workers a decent and homely environment, while staff are away from their homes.
- Execution of numerous projects at EFL Head Office, Wailoa, Navutu, Kinoya, Labasa, Savusavu, Deuba, Korovou power stations and National Control Centre were carried out to ensure these properties were well maintained at all times.
- Preferred supplier arrangements have been maintained to provide efficient and timely services (such as supply of chairs and air conditioners) to all EFL staff Fiji Wide. The team successfully manages day-to-day operations for all major Depots, Offices and Power Stations looking into services such as repair and maintenance works, plumbing, electrical, air conditioning, sanitary and cleaning, pest control, depot upkeep and fire protection.

Regulatory Unit

EFL's Regulatory Unit is made up of over 60 team members who are tasked with overseeing and enforcing compliance of the regulations outlined in the Electricity Act. Its other functions include (but are not limited) to the following:

- Registration and licensing of electricians and electrical contractors.
- Licensing of electrical generation equipment, including licensing of new Independent Power Producers (IPPs).
- Ensuring industry compliance, in accordance with the Electricity Act and AS/NZS Wiring Rules.
- Preliminary electrical testing of imported electrical appliances and fittings used in Fiji, upon request.
- Investigation of electrical accidents and thereafter submission of independent reports on electrical accidents to resident magistrates.
- Testing of electricity meters to ensure compliance (within plus or minus 2.5%).

The Achievements of this Unit for the year 2019 were as follows:

i) Exceeded new connections target

- 2019 saw a total of 8,292 new connections, exceeding the Unit's target of 7,500 new connections for the year. This total comprised of 6,612 domestic connections and 1,680 commercial & industrial connections.

ii) Exceeded electricity meter testing target

- 14,239 electricity meters were tested in 2019, surpassing the Unit's target of 13,000. Of these, 5,820 were single phase meters, 8,181 were prepayment meters and 238 were 3 phase meters.

iii) Launched public safety campaign

- Electrical safety presentations were conducted throughout communities and schools in Fiji. Several new public awareness videos and advertisements were also broadcast nationwide to educate Fijians about the dangers of electricity and how to avoid them.

iv) Heightened standards for electrician and contractor licenses

- The Regulatory Unit launched an awareness campaign to advise electrical contractors on the new wiring rules and standards, namely AS/NZS 3000:2018, which was implemented nationwide in 2019. Workshops were also carried out in the 3 regions (Central, Western, and Northern) advising electrical contractors of expectations and improvements required.

v) Transfer of EFL regulatory functions

- The Regulatory Functions of the Authority were officially transferred to the Fijian Competition & Consumer Commission (FCCC) as the Regulator appointed by the Government under the Electricity Act 2017 on 30th September 2019. On October 2nd, 2019, EFL & FCCC signed an MOA which saw some of the functions being contracted back to EFL.

04

LIFE AFTER ELECTRICITY

The Fijian Government has provided funding to the tune of round $33.3million in the past three years towards the rural electrification projects. EFL has completed around 296 rural electrification schemes that has benefited around 8,010 Fijian households from this programme of rural electrification over the last 3 years.

The provision of electricity improves the livelihood of every Fijian, young and old and its effect multiplies to contribute to the achievement of the nation's development goals.

Affordable and reliable electricity is a life changer for everyone in the country. It is critical pillar of development. The Energy Fiji Limited and the Fijian Government is focused on making sure that every Fijian shares the life changing benefits that electricity provides.

The Fijian Government has committed itself to assisting low-income households access the tremendous personal and economic benefits of electric power and, through EFL, actively subsidises electricity costs for families with a combined household income of $30,000 or less. This allows residential customers to save 48% on the first 100units of electricity usage per month at a rate of 16.34 cents per unit VAT exclusive price (VEP), resulting in a cost to customers of only 17.67 cents per unit (VEP).

For primary and secondary schools, a step-up subsidy is in place, where the first 200 units consumed in a month are subsidized at a rate of 12.85 cents per unit (VEP), resulting in a total cost of only 21.16 cents per unit (VEP). Units beyond 200 are charged the full institutional tariff of 34.01 cents per unit (VEP). A total of 965 schools benefited from this subsidy in 2019.

A newly-restructured subsidy scheme was introduced in August 2017 and has since been aggressively publicised to eligible families, including during the company's free share offering. This campaign resulted in a huge increase of 20,387subsidized customers in 2018 and 2019, meaning an impressive 32,346 Fijians households now have access to highly-affordable electricity.

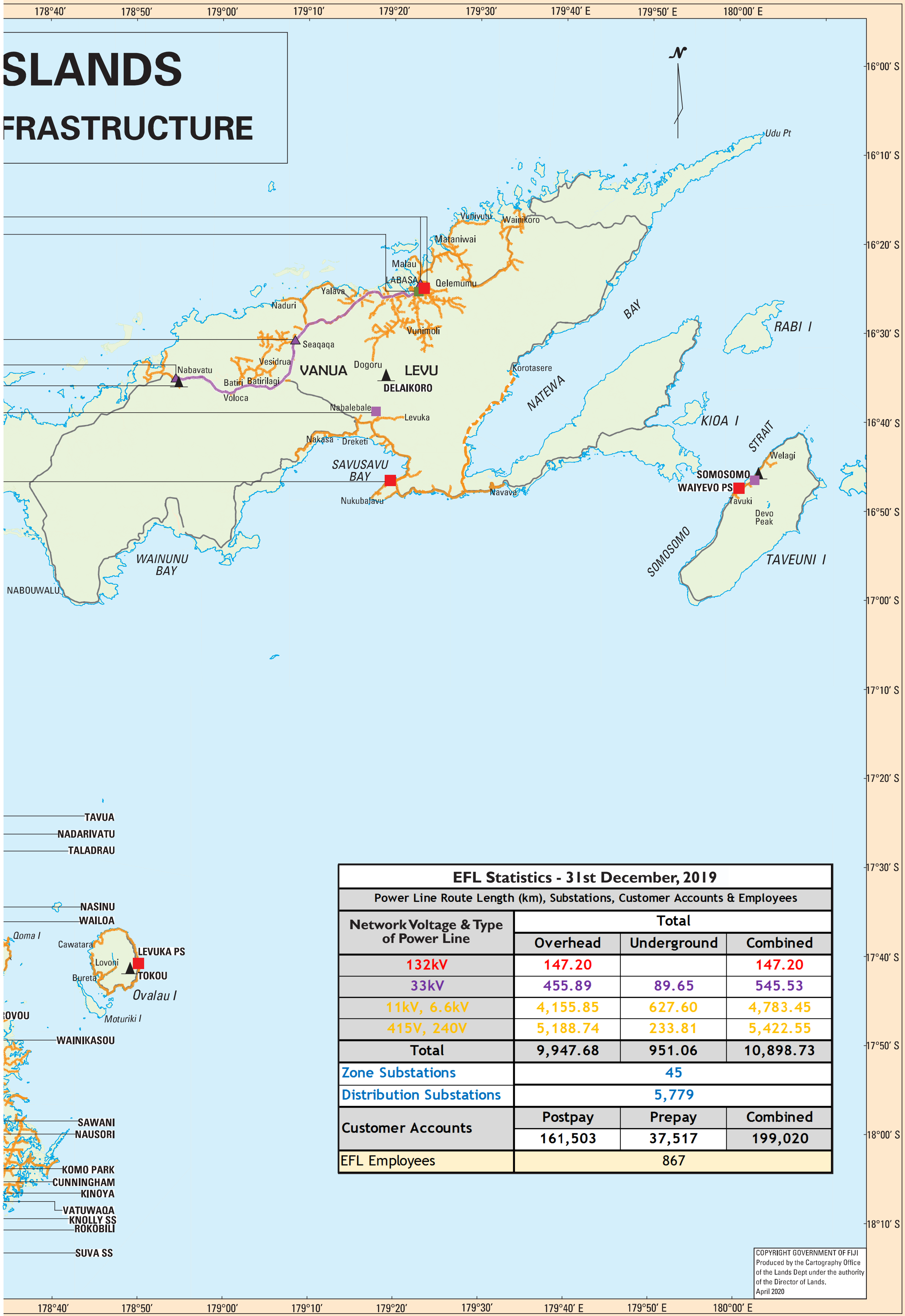
In 2019, EFL incurred approximately $22.2 million in non-commercial obligation costs, enabling thousands of low-income Fijian families to access affordable electric power and enjoy the benefits of life after electricity. Because of our commitment, more Fijians have access to electricity than at any point in our nation's history. We will continue to be driven by EFL's vision of energising our nation –– our entire nation –– with clean, affordable, and reliable power in the months and years ahead.

As part of the sale, The Fijian Government has assured that its support for EFL customer-- particularly those living in remote isolated areas that are not commercially viable—will continue, including existing subsidies and financial support for EFL's non-commercial obligations. Any losses associated with NCO above the 2018 level of $22.07M will be recovered by EFL from Government.

EFL spent a total of $22.85 million in 2019 on the construction of new rural electrification schemes, grid extensions for commercial and industrial projects, power-system reinforcement works and contract jobs. Of this amount, $11.18 million was for the construction of 98 rural electrification projects, $7.76 million was for 71 general extension projects for commercial and industrial customers and $0.92 million was utilised for 26 contract jobs. A total of $2.99 million was authorized for 23 distribution power system reinforcement projects.

Electricity is a product we take pride in for empowering the nation.

FIJI ISL
POWER INFRA
VISION
'Energising our Nation'
MISSION
'We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025'
EFL POWER SYSTEM LEGEND
132kV Line
Proposed 132kV Line
33kV Line
Proposed 33kV Line
11kV Line Coverage
Proposed 11kV Line
6.6kV Line Coverage
Diesel Power Station
Hydro Power Station
132kV Substation
33kV Substation
Butoni Wind Farm
Biomass/ IPP Power Station
EFL Repeater Station
177°00′ E
177°10′ E
177°20′
177°30′
177°40′
177°50′
178°00′
178°10′
178°20′
178°30′
16°00′ S
16°10′ S
16°20′ S
16°30′ S
16°40′ S
16°50′ S
17°00′ S
17°10′ S
17°20′ S
17°30′ S
17°40′ S
17°50′ S
18°00′ S
18°10′ S
CAWAIRA PS
FSC
SEAQAQA
DREKETI
ULUILAGI
WAINIQEU
SAVUSAVU
NABOUWALU
VOLIVOLI
TUIDREKE
RAKIRAKI
Vatukacevaceva
Nakorovou
Vunikavikaloa
Nayavutoka
Namara
Navitilevu
Nasinu
Qoma I
VATUKOULA
RARAWAI
LOLOLO
BA
FSC
LAUTOKA SS
PINEAPPLE CORNER
TWIL
LAUTOKA
VUDA
Yaloku
Balevuto
NADARIVATU WEIR
VUDA PS
NADI BAY
SABETO
NADI PS
WAQADRA
Nadi Airport
Denarau I
NADI
NAGADO
VATURU DAM
Vanualevu
MONASAVU DAM
PP3
Nasalia
Nakorosule
Nayala
Nadovu
KOROVOU
Lutu
WAINISAVULEVU DAM
Sonaisali I
QELELOA
Yavuna
Nasaucoko
Keiyasi
NAWAI
MOMI BAY
MOMI
KAVUKAVU
Nawaicoba
Nalutubogi Lake
NGEL
Rararua
VITI LEVU
Naraiyawa
Delailasakau
Navunikabi
NAKOBALEVU
WAILEKUTU
LAMI
NASINU
MARO
BUTONI
NATADOLA
NACOCOLEVU
Nabukelevu
BUTONI WIND FARM
SIGATOKA PS
HIBISCUS
Nakavu
NAVUA
KOROLEVU
DOGOWALE
DEUBA
SCALE 1 : 950 000
5000m
0
10
20



EFL Statistics - 31st December, 2019

Power Line Route Length (km), Substations, Customer Accounts & Employees

Network Voltage & Type of Power Line	Total		
	Overhead	Underground	Combined
132kV	147.20		147.20
33kV	455.89	89.65	545.53
11kV, 6.6kV	4,155.85	627.60	4,783.45
415V, 240V	5,188.74	233.81	5,422.55
Total	9,947.68	951.06	10,898.73
Zone Substations	45		
Distribution Substations	5,779		
Customer Accounts	Postpay	Prepay	Combined
	161,503	37,517	199,020
EFL Employees	867		


STOP

Financial Statements

for the year ended 31 December 2019

Director's Report for the year ended 31 December 2019

In accordance with a resolution of the Board of Directors, the Directors of Energy Fiji Limited ("the Company") present their report together with the financial statements of the Company for the year ended 31 December 2019.

1 DIRECTORS

The following were directors of the Company at any time during the financial year end up to the date of this report:

Daksesh Patel (Chairman)
Gardiner Henry Whiteside (Deputy Chairman)
David Kolitagane
Kamal Gounder
Tevita Kuruvakadua (Appointed November 2019)
Alipate Naiorosui (Term expired May 2019)
Hasmukh Patel

2 PRINCIPAL ACTIVITIES

The principal activities of the Company are the generation, transmission, distribution and sale of electricity on Viti Levu, Vanua Levu, Ovalau and Taveuni as governed by the Electricity Act and Regulations.

3 TRADING RESULTS

The profit after income tax of the Company attributable to the members of the Company for the year ended 31 December 2019 was $63.7 million (2018: $63.9 million).

4 The directors declared and paid $30 million in dividends during the year ended 31 December 2019.

5 BAD DEBTS AND ALLOWANCE FOR IMPAIRMENT LOSS

The directors took reasonable steps before the company's financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment loss.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for impairment loss, inadequate to any substantial extent.

6 CURRENT AND NON-CURRENT ASSETS

The directors took reasonable steps before the Company's financial statements were made out to ascertain that the assets of the Company were shown in the accounting records at a value equal to or below the value that would be expected to be raised in the ordinary courses of business.

At the date of this report, the directors are not aware of any circumstance which would render the values attributable to the assets in the financial statements misleading.

7 SIGNIFICANT EVENTS DURING THE YEAR

a) On 23 August 2019, The Government of the Republic of Fiji announced that it had entered into an agreement to divest 20% of the shares in Energy Fiji Limited ("EFL") to the Fiji National Provident Fund ("FNPF"). The sale was concluded on 11 October for a sum of $206,109,989.13. Following the divestment, the Government will retain 75% of the shares in EFL, with the remaining shares held by FNPF (20%) and the eligible domestic account holders (5%).

b) The Fijian Competition and Consumer Commission approved the increase in electricity tariff by 2.74 percent effective from 1st October 2019.

c) The new Electricity Act 2017 was gazetted on 30th September 2019 and was in effect from that date.

Director's Report for the year ended 31 December 2019 (cont'd)

8 RELATED PARTY TRANSACTIONS

In the opinion of the directors all related party transactions have been adequately recorded in the books of the Company and reflected in the attached financial statements.

9 OTHER CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

10 UNUSUAL TRANSACTIONS

The results of the Company's operations during the financial year have not, in the opinion of the directors, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

11 EVENTS SUBSEQUENT TO BALANCE DATE

There were no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

12 GOING CONCERN

The Directors consider that the company will continue as a going concern. The directors believe that the basis of preparation of financial statements is appropriate and the Company will be able to continue its operations for at least 12 months from the date of signing this report.

13 DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or by a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 16 day of April 2020.

Daksesh Patel
CHAIRMAN

Gardiner Whiteside
DEPUTY CHAIRMAN

Director's Declaration for the year ended 31 December 2019

The declaration by directors is required by the Companies Act, 2015.

The directors of the Company have made a resolution that declares:

a) In the opinion of the directors, the financial statements of the Company for the financial year ended 31 December 2019:

i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Company as at 31 December 2019 and of the performance and cash flows of the Company for the year ended 31 December 2019; and

ii. have been prepared in accordance with the provisions of the Electricity Act and Companies Act, 2015.

b) The directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and

c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 16 day of April 2020.

Daksesh Patel
CHAIRMAN

Gardiner Whiteside
DEPUTY CHAIRMAN

Independence Declaration for the year ended 31 December 2019

Auditors Independence Declaration to The Directors of Energy Fiji Limited

To: The Directors of Energy Fiji Limited

As auditor for the audit of Energy Fiji Limited for the financial year 31 December 2019, I declare to the best of my knowledge and belief that there have been:

(a) No contravention of the auditor independence requirements of the Companies Act, 2015 in relation to the audit; and

(b) No contravention of any applicable code of conduct in relation to the audit.

This declaration is in respect to Energy Fiji Limited and entities it controlled during the year.

Ajay Nand
AUDITOR GENERAL

Independent Auditor's Report

To the Shareholders of Energy Fiji Limited

Report on the Audit of the Financial Statements

Audit Opinion

I have audited the financial statements of Energy Fiji Limited, which comprise the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Income, Statement of Changes in Equity,and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company 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 (IFRS).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company 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 my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Management and Directors for the Financial Statements

The Management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, Electricity Act and Companies Act 2015 and for such internal control as the management determines 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, Management and Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The Management and Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 and auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 Company's internal control.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

To the Shareholders of Energy Fiji Limited

Report on the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

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

Emphasis of Matter

- The Company has been recording assets generated from Rural Electrification Schemes as part of its property, plant and equipment in the books of account (Note 11) over the years. The Company is yet to obtain approval from government for the ownership of these assets.

- The Company has not undertaken a full review on impairment of assets with zero book values totalling included in its property, plant and equipment (Note 11). It is yet to carry out a review of the depreciation rates and the remaining economic useful lives of individual major classes of plant and equipment in a progressive and structured manner for consideration and review by the Directors.

- Attention is also drawn to Note 20 of the financial report which notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 20, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

My opinion are not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

In accordance with requirements of the Companies Act 2015 and the Electricity Act, in my opinion;

a) proper books of account have been kept by Energy Fiji Limited, sufficient to enable financial statement to be prepared, so far as it appears from my examination of those books,

b) to the best of my information and according to the explanations given to me, give the information required by the Companies Act 2015, in the manner so required.

Ajay Nand
AUDITOR GENERAL

AUDITOR - GENERAL
FIJI

Suva, Fiji
17 April, 2020

Statement Of Comprehensive Income
For The Year Ended 31 December 2019

	Notes	2019 $'000	2018 $'000
Revenue - electricity sales	5	359,427	349,497
Other operating revenue	5	9,408	12,660
Total revenue		**368,835**	**362,157**
Impairment gain/ (loss) on trade and other receivables		56	(47)
Personnel costs		(25,987)	(23,669)
Fuel costs		(134,335)	(130,357)
Electricity purchases		(25,987)	(23,003)
Lease and rent expenses		(202)	(1,761)
Depreciation on property, plant and equipment and right of use assets		(43,025)	(40,799)
Amortisation of intangible assets		(394)	(397)
Other operating expenses		(49,712)	(50,526)
Total expenses		**(279,586)**	**(270,559)**
Profit before finance costs, cyclone restoration costs and income tax		**89,249**	**91,598**
Finance Cost:			
Finance Cost		(11,936)	(12,355)
Finance income		3,494	2,483
Unrealised foreign exchange gain / (loss),net		(1,090)	95
Profit before cyclone restoration costs and income tax		**79,717**	**81,821**
Cyclone Sarai/Keni/Josie - restoration costs		(441)	(2,020)
Profit before income tax	6	**79,276**	**79,801**
Income tax expense	7(a)	(15,532)	(15,886)
Profit after income tax		**63,744**	**63,915**
Other comprehensive income/(loss)			
Items that is unrealised and will or may be reclassified to profit or loss:			
Cash flow hedges		1,760	(10,204)
Total comprehensive income for the year		**65,504**	**53,711**

The above statement of comprehensive income has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Statement Of Financial Position
As at 31 December 2019

	Notes	2019 $'000	2018 $'000
CAPITAL AND RESERVES			
Share Capital	23	750,000	750,000
Retained profits		99,031	65,287
Hedging Reserves	24	1,760	(10,204)
TOTAL CAPITAL AND RESERVES		**850,791**	**805,083**
Represented by:			
CURRENT ASSETS			
Cash on hand and at bank		70,716	154,580
Short term deposits	8(a)	104,905	39,953
Receivables and prepayments	9	48,487	59,513
Derivative financial asset	3.1(a)	4,011	1,313
Inventories	10	37,125	43,038
Current tax assets	7(d)	852	1,257
TOTAL CURRENT ASSETS		**266,096**	**299,654**
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,120,890	1,079,992
Intangible assets	12	1,210	1,604
Right of use assets	18(a)	25,205	-
Deferred tax assets	7(b)	309	140
TOTAL NON-CURRENT ASSETS		**1,147,614**	**1,081,736**
TOTAL ASSETS		**1,413,711**	**1,381,390**
CURRENT LIABILITIES			
Trade and other payables	13	40,173	29,857
Derivative financial liability	3.1(a)	152	9,394
Employee benefit liability	14	3,447	3,109
Interest bearing borrowings	15	20,637	52,237
Lease liabilities	18(b)	1,647	-
TOTAL CURRENT LIABILITIES		**66,056**	**94,597**
NON-CURRENT LIABILITIES			
Trade and other payables	13	94,753	97,025
Interest bearing borrowings	15	199,098	225,282
Lease liabilities	18(b)	23,694	-
Deferred income	16	118,649	104,370
Deferred tax liabilities	7(c)	60,670	55,033
TOTAL NON-CURRENT LIABILITIES		**496,864**	**481,710**
TOTAL LIABILITIES		**562,920**	**576,307**
NET ASSETS		**850,791**	**805,083**

The above statement of financial position has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Daksesh Patel
CHAIRMAN

Gardiner Whiteside
DEPUTY CHAIRMAN

Statement Of Cash Flows
For The Year Ended 31 December 2019

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
Receipts from customers		364,656	360,144
Payments to suppliers and employees		(229,801)	(235,477)
Interest received		2,912	2,304
Interest paid		(12,095)	(12,566)
Tax Payment/Withholding taxes paid		(9,659)	(15,197)
Net cash flows provided by operating activities		**116,013**	**99,208**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(78,161)	(61,653)
Proceeds for rural electrification, net		27,640	17,971
Proceeds from refundable contribution for general extension, net		4,476	383
Proceeds from disposal of property, plant and equipment		343	304
Net cash flows used in investing activities		**(45,702)**	**(42,995)**
Cash flows from financing activities			
Repayment of bonds and loans		(57,784)	(22,898)
Proceeds from borrowings - local		-	2,850
Repayment of lease liability		(249)	-
Dividend		(30,000)	-
Net cash flows used in financing activities		**(88,033)**	**(20,048)**
Net increase in cash and cash equivalents		**(17,722)**	**36,165**
Effect of IFRS 9 adjustment - allowance for impairment loss, nett		(96)	(49)
Effect of exchange rate movement on cash and cash equivalents		(1,094)	68
Cash and cash equivalents - at the beginning of the year		194,533	158,349
Cash and cash equivalents - at the end of the year	8	**175,621**	**194,533**

The above statement of cash flows has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Statement Of Changes In Equity
For The Year Ended 31 December 2019

	Share Capital $'000	Hedging Reserves $'000	Capital Contributions $'000	Retained Profits $'000	Total $'000
Balance as at 1 January 2018	-	-	**95,199**	**656,173**	**751,372**
Transfer of capital contribution and retained earnings to share capital after the corporatisation	**750,000**	-	**(95,199)**	**(654,801)**	-
Total comprehensive income					
Profit for the year	-	-	-	63,915	63,915
Other comprehensive loss for the year	-	(10,204)	-	-	(10,204)
Total comprehensive income for the year	-	**(10,204)**	-	**63,915**	**53,711**
Transactions with members of the entity					
Dividend payout	-	-	-	-	-
Total transactions with members of the entity	-	-	-	-	-
Balance as at 31 December 2018	**750,000**	**(10,204)**	-	**65,287**	**805,083**
Total comprehensive income					
Profit for the year	-	-	-	63,744	63,744
Transfer of hedge reserve to statement of profit or loss	-	10,204	-	-	10,204
Other comprehensive loss for the year	-	1,760	-	-	1,760
Total comprehensive income for the year	-	**11,964**	-	**63,744**	**75,708**
Transactions with members of the entity					
Dividend payout	-	-	-	(30,000)	(30,000)
Total transactions with members of the entity	-	-	-	**(30,000)**	**(30,000)**
Balance as at 31 December 2019	**750,000**	**1,760**	-	**99,031**	**850,791**

The above statement of changes in equity has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

1. GENERAL INFORMATION

a) Corporate Information

Energy Fiji Limited (the Company) is a Limited Liability Company incorporated and domiciled in Fiji. The registered office and principal place of business is 2 Marlow Street, Suva, Fiji Islands.

b) Principal Activities

The principal activities of the Company are the generation, transmission, distribution and sale of electricity on Viti Levu, Vanua Levu, Ovalau and Taveuni as governed by the Electricity Act and Regulations.

There were no significant changes in the nature of these activities during the financial year.

c) Statement of Compliance

The financial statements have been prepared in accordance with the Electricity Act 2017 and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB) and in compliance with the requirements of the Companies Act, 2015.

Issue of Financial Statements

The financial statements were approved for issue by the Company's Board of Directors at its meeting held on 31st March 2020.

d) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

The Company operates in Fiji and hence, the financial statements are presented in Fiji Dollars, which is the Company's functional and presentation currency.

e) Basis of Accounting

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 4.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

1. GENERAL INFORMATION (CONT'D)

f) Changes in Accounting Policies

New standards, interpretations and amendments effective from 1 January 2019

New standards impacting the Company that has been adopted in the annual financial statements for the year ended 31 December 2019, and which has given rise to changes in the Company's accounting policies is:

• IFRS 16 Leases

Details of the impact of IFRS 16 Leases have been presented below.

Other new and amended standards and interpretations issued by the IASB that will apply for the first time in the annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

IFRS 16 - Leases

The Company applied IFRS 16 with a date of initial application of 1 January 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The details of the changes in accounting policies are disclosed below.

i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

ii) As a lease

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Energy Fiji Limited. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

For leases of assets, which were classified as operating under IAS 17, the Company recognised right-of-use assets and lease liabilities subjective to certain recognition exemptions.

a. Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

– Applied a single discount rate to a portfolio of leases with similar characteristics.

– Applied the exemption not to recognise the right-of-use assets and liabilities for leases with remaining terms less than 12 months from the date of initial application.

– Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

– Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

1. GENERAL INFORMATION (CONT'D)

f) Changes in Accounting Policies (cont'd)

New Standards Applied By The Entity - IFRS 16 - Leases (cont'd)

b) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of- use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

iii. As a lessor

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with IFRS 16 from 1 January 2019.

Under IFRS 16, the Company is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. The Company had no sub-lease contract at the date of initial application.

iv. Impacts on financial statements

On transition to IFRS 16, the Company recognised an initial value of $23,949,115 as right-of-use assets and lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 6%.

	Impact of adopting IFRS 16 as at 1 January 2019 $'000
Operating lease commitment at 31 December 2018 as disclosed in the company's financial statements [note 19(c)]	111,079
Extension and termination options reasonably certain to be exercised	10
Short-term leases & leases of low value assets	(2,739)
	108, 350
Discounted using the incremental borrowing rate at 1 January 2019	(84,401)
Lease liabilities recognised at 1 January 2019	**23,949**

The Company's accounting policies on the classification of financial instruments under IFRS 16 are set out in Note 2(n).

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

(a) Bond instruments

Bonds issued are recorded at cost which reflects the face value of these instruments. Transaction costs on the issue of bond instruments are capitalised and amortised to the statement of comprehensive income over the maturity life of the bond instruments. Transaction costs are the costs that are incurred directly in connection with the issue of those bond instruments and which would not have been incurred had those instruments not been issued.

(b) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(c) Borrowing costs

The borrowing costs that are directly attributable to major capital expenditures and projects under construction are capitalized as part of the cost of these assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The government guarantee fee on loans drawdown specifically for capital projects are capitalised. Other guarantee fees paid are expensed.

(d) Refundable and non-refundable capital contributions

A 100% refundable capital contribution represents the cost of the extension, received from the developer or a prospective consumer. The cost of the extension is the estimated cost incurred from the Company's nearest mains supply point capable of providing the assessed load required. The developer or a prospective consumer applying for a general extension provides a 100% refundable capital contribution in relation to the cost of the extension which is credited to trade and other payables and is refunded to the customer over a period of 5, 6 and 8 years respectively. This is in accordance with the determination by the Fijian Competition and Consumer Commission (FCCC).

Non-refundable capital contributions are treated as deferred revenue which are brought to income upon completion of project.

(e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash on hand, cash in banks, short term deposits held with banks with an original maturity term of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities in the statement of financial position.

(f) Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(g) Deferred income

Government grant in aid and assets acquired at no cost to the Company are capitalised and systematically recognised as other income on the basis of the expected lives of the assets to which the grants relate.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Employee benefits

i) Annual leave

Provision for annual leave represents the amount which the Company has a present obligation to pay for employees' services provided up to the balance date. The provision has been calculated on the current wage and salary rate.

ii) Performance pay

The Company maintains a Performance Management System which is used to remunerate employees based on the achievement of certain Key Performance Indicators (KPIs). These KPIs are established based on predetermined objectives of the Company. The liability is measured at the wage or salary rates prevailing during the year.

(i) Foreign currency translation

Transactions denominated in a foreign currency are translated to Fiji currency at the exchange rate at the date of the transaction.

Foreign currency receivables and payables at balance date are translated to Fiji currency at exchange rates prevailing at balance date.

All gains and losses arising there-from (realised and unrealised) are brought to account in determining the profit or loss for the year.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the stock and bringing it to its existing condition and location. Consumables are valued at cost plus the associated delivery charges.

Provision for inventory obsolescence are raised based on a review of inventories. Inventories considered obsolete are written off in the year in which they are identified.

(k) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

An assessment is made at each reporting date for non-financial assets as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and,
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Financial assets: Business model assessment – Policy applicable from 1 January 2019 (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and,
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

iii) Modification of financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

iv) Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from assets have expired ;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi) Impairment of financial assets
Financial instruments:

The Company recognises loss allowances for Expected Credit Losses (ECL) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12 month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and,
- other debt securities and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECL as it does not include significant financing component.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per rating agency Moody's or BBB- or higher per rating agency Standard & Poor's.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (cont'd)

vi) Impairment of financial assets (cont'd)

Financial instruments:

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs:

Trade receivables

The Company uses a provision matrix to determine the lifetime expected credit losses. It is based on the Company's historical observed default rates, and is adjusted by a forward-looking estimate that includes the probability of a worsening economic environment within the next year. At each reporting date, the Company updates the observed default history and forward-looking estimates.

Debt securities including cash at bank

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 30 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income or adequate customer deposits that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(m) Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Where estimated useful lives or recoverable values have diminished due to technological change, market conditions or dynamics, amortisation is accelerated.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leased assets

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 1 (f).

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

– fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

– the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

Under IFRS 16 – from 1 January 2019

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leased assets (cont'd)

i. As a lessee (cont'd)

Under IFRS 16 – from 1 January 2019 (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's weighted average cost of capital.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with lease term 12 months or less, and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS 17 – before 1 January 2019

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii. As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leased assets (cont'd)

ii. As a lessor (cont'd)

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating revenue'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

(o) Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(p) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the item. Cost of leasehold land includes initial premium payment or price paid to acquire leasehold land including acquisition costs.

Additions

While expenditure on assets with a value of less than $300 is generally not capitalised, physical control is maintained over all items regardless of cost.

Depreciation rates

Depreciation is calculated using the straight line method to write off the cost of each asset over their estimated useful lives as follows:

	Rates
Leasehold land	0.50% - 1.25%
Buildings - concrete	1.25%
Buildings - others	1.25%
Hydro Assets - dams	1.33% - 2.50%
Hydro Assets - tunnels	1.33% - 2.44%
Hydro Assets - plant and machinery	2.50% - 3.00%
Thermal assets	4.00% - 7.00%
Transmission	2.50%
Communication system and control	2.86%
Reticulation	4.00%
Wind mill	5.00%
Furniture and fittings	7.00% - 24.00%
Motor vehicles	20.00%
Computers	33.30%

Other fixed assets except for capital spares, are depreciated when they are brought into service.

Freehold land is not depreciated. Leasehold land is amortised over the remaining lease period

Capital spares

Capital spares represent items held primarily for use in thermal stations in the event of a breakdown. In recognition of the increased risk of obsolescence over a protracted period, capital spares are amortised in line with the depreciation rates applicable to the related plant and machinery. Capital spares are reported as part of Company's fixed assets.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Property, plant and equipment (cont'd)

Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income.

Repairs and maintenance

Repairs and maintenance is charged to the statement of comprehensive income during the financial period in which it is incurred. The cost of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

(q) Provisions

Provisions are recognised:

- When the Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(r) Rounding off amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

(s) Dividend distribution

Dividend distribution to the Government of Fiji is recognised as a liability in the financial statements in the period in which the dividends are declared by the Company.

(t) Finance income and finance costs

The Company's finance income and finance costs include:
• interest income on term deposits;
• interest expense on borrowings; and
• impairment losses (and reversals) on investments in debt securities carried at amortised cost.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

• the gross carrying amount of the financial asset; or
• the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(u) Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Fair Value Measurement (cont'd)

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(v) Revenue Recognition

The Company recognises revenue from services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for services. Revenue is recognised at an amount that reflects the consideration that the Company is expected to be entitled to in exchange for transferring services to a customer, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- Identification of the contract;
- Identification of separate performance obligations for each good or service;
- Determination of the transaction price;
- Allocation of the price to performance obligations; and
- Recognition of revenue.

Revenue recognition with respect to the Company's specific business activities are as follows:

Electricity Income
Electricity income is recorded in the statement of comprehensive income on an accrual basis.

Interest Income
Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

All other income is recorded in the statement of comprehensive income on an accrual basis.

(w) Fuel Hedging

EFL continued with its fuel and foreign currency hedging programme in 2019 that was implemented from 1st May 2018. The primary objective of the programme is to mitigate volatility on earnings arising from fluctuations in the global fuel price as well as movements in foreign exchange rates, both factors which are outside the control of EFL.

The Company manages these risk exposures using various financial instruments. The Board has determined hedging limits for financial risks and these are documented in the Commodity Risk Management and Hedging Policy. Transactions entered into are to be carried out within these guidelines. Implementation of this policy is delegated to Risk Management Committee, who have flexibility to act within the bounds of the authorised policy limits. Group policy is to not enter, issue or hold derivative financial instruments for speculative trading purposes. Compliance with the policy is monitored on an ongoing basis through regular reporting to the Board.

(x) Taxation

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Current tax for the current and prior years is recognised as a liability or asset to the extent that it is unpaid or refundable.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Taxation (cont'd)

Deferred tax

Deferred tax is accounted for using the liability method on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation Authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(y) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of Value Added Tax (VAT), except:

i) where the amount of VAT incurred is not recoverable from the taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for trade receivables and trade payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation Authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which are recoverable from or payable to the taxation Authority is classified as operating cash flows.

3. RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Market risk

Market risk is the risk that changes in market prices, such as fuel prices, foreign exchange rates and interest rates, will affect the Company's cash flows and profits. The objective of market risk management is to manage and control market exposures, within tolerances.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

3. RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

The Company enters into derivatives to manage market risks relating to fuel prices and foreign exchange rates. Derivatives are recognised at fair value on an ongoing basis. On initial designation of the hedge, the Company formally documents the relationship between the hedging instruments and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company assesses, both at the inception of the hedge relationship and on an ongoing basis, whether the hedging instruments are expected to be "highly effective".

Hedges of highly probable forecast transactions which are exposed to variations in cash flows that could ultimately affect profit or loss are called cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recognised directly in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss. Cumulative gains and losses in other comprehensive income, including those relating to discontinued hedges, are recognised in profit or loss in the periods in which the hedged item will affect profit or loss.

The following table summarises the Derivative Financial Assets and Liabilities of the company related to the Company's forward foreign exchange and fuel hedging contracts as at reporting date.

	31-Dec-19 $'000	31-Dec-18 $'000
Current assets		
Forward foreign exchange contracts - cash flow hedges	-	1,037
Fuel hedging contracts - cash flow hedges	4,011	276
Total derivative financial asset	**4,011**	**1,313**
Current liabilities		
Forward foreign exchange contracts - cash flow hedges	152	99
Fuel hedging contracts - cash flow hedges	-	9,295
Total derivative financial liability	**152**	**9,394**

EFL is an essential services provider. At this period of COVID-19, EFL is still supplying electricity to its customers'. The Management has assessed the adverse impact of the lock-down in both Lautoka and Suva on the demand of electricity, which it considers insignificant at this early stage. However, the revenue has not been impacted much, but it is anticipated that revenue for 2020 will be lower compared to prior years.

(i) Foreign exchange risk

The Company procures a significant portion of its supplies from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US, AU and NZ dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require the Company to manage its foreign exchange risk against its functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fiji dollar.

To protect against exchange rate movements, the Company uses forward exchange contracts and option contracts to purchase US dollars to hedge highly probable forecasted fuel purchases for the ensuing financial periods. The contracts are timed to mature when the fuel bills are expected to be settled. Realised gains or losses on these contracts arise due to differences between the actual spot rates on settlement, the forward rates of the derivative contracts and the cost of option premiums paid.

	31-Dec-19 $'000	31-Dec-18 $'000
Foreign exchange hedging gains/(losses) recognised in fuel cost	2,573	2,136

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

3. RISK MANAGEMENT

3.1 Financial risk factors (cont'd)

The weighted average contract rates of hedge accounted foreign currency derivatives outstanding as at reporting date are set out below:

	Weighted Average Hedge Rate	Notional Amount US$'000
AUDUSD Options	0.6703	17,600

Forward exchange contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently restated to their fair value at each reporting date.

(ii) Price risk

The Company does not have investments in equity securities and hence is not exposed to equity securities price risk. However, the Company is exposed to commodity price risk as it purchases fuel through a local agent from offshore. The volatility on international fuel prices and its impact on the Company's profitability is given below considering two scenarios based on price, quantity mix, demand growth and hydro availability.

	Average Fuel Price (F$/Metric Tonne)	Consumption (Metric Tonne)	Fuel costs $'000
31 December 2019 (Actual)	1,398.90	96,029	134,335
Fuel price-Increase by 10%	1,538.79	96,029	147,768
Fuel Price-Decrease by 10%	1,259.01	96,029	120,901

Based on the above, if fuel price increase or decrease by 10%, the fuel costs to the Company would increase or decrease by $13.43 million annually. The above sensitivity calculation is based on the 2019 fuel consumption levels.

The Company's fuel price risk management strategy aims to provide EFL with protection against sudden and significant increases in fuel prices while ensuring that the Company is not competitively disadvantaged in the event of a substantial decrease in the price of fuel.

The Company's risk management policy is to hedge anticipated IDO and HFO fuel consumption subject to limits determined by the Board. This exposure is managed by using the ICE Brent crude commodity swaps, option contracts and other fuel related derivatives. These contracts are designated as hedges of price risk on specific volumes of future IDO and HFO fuel consumption. The Company considers Brent crude to be a separately identifiable and measurable component of Singapore IDO and HFO. The price of Brent crude is highly correlated with the price of Singapore IDO and HFO.

Realised gains or losses on fuel hedging contracts arises due to differences between the actual fuel prices on settlement, the forward rates of derivative contracts and the cost of option premiums paid.

	31-Dec-19 $'000	31-Dec-18 $'000
Brent crude hedging gains/(losses) recognised in fuel cost	(7,709)	(2,026)

Although the company realised the Brent hedging losses of $7.7M, it was able to meet its hedging objective as follows:

1. Protect the company from rising oil prices during the period as EFL's fuel hedging framework is designed to provide 70% protection when oil prices are rising.
2. Ability to participate in downside oil price movement since EFL's hedging framework is designed to allow for around 65% downside participation when oil prices are falling. This has been incorporated as part of the lower fuel cost recorded for 2019.
3. Substantially reduce its fuel cost volatility.

The weighted average contract rates of hedge accounted fuel derivatives outstanding as at reporting date are set out below:

	Weighted Average Hedge Strike Rate US$/bbl	Notional Amount Barrels
Brent Swap	57.72	247,000
Brent Option	65.08	200,000

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

3. RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(iii) Interest rate risk

The Company has significant interest-bearing assets in the form of short-term cash deposits. These are at fixed interest rates hence there are no interest rate risks during the period of investment. For re-investment of short and long term cash deposits, the Company negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return.

Given the fixed nature of interest rates described above, the Company has a high level of certainty over the impact on cash flows arising from interest income. Accordingly, the Company does not require simulations to be performed over the impact on net profits arising from changes in interest rates.

All debts of the Company raised through bond issues bear fixed interest rates. Therefore, the Company is not exposed to interest rate risk.

The Company is not exposed to interest rate risk from its borrowings from Suva City Council, as it borrows funds at fixed interest rates.

In relation to the borrowings from other commercial banks, the Company to a certain extent is not exposed to interest rate risk as these borrowed funds are at fixed interest rates, for the agreed term. Thereafter, the interest rates are re-negotiated and new interest rates are agreed upon. The risk is managed closely within the approved policy parameters.

The Company did not enter into any interest swap contracts during the year.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from receivables from customers, investment in debt securities, and cash and call deposits.

The carrying amount of financial assets represents the maximum credit exposure.

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure services are made to customers with an appropriate credit history. The Company does not have any policies that limit the amount of credit exposure to any one customer or group of customers.

During this COVID-19 pandemic period, EFL has not experienced any major impairment to customers account as a result of default in the timely repayments of electricity bills. Even though, the Electricity Act requires that customers pay their electricity bills within 14 days from the due date, EFL expects that some customers will not pay their electricity bills on time or even default repayments. To ensure that the impairment loss to EFL is kept at a minimum, EFL will be disconnecting these customers accounts on timely basis and ensure that the customers security deposit maintained by EFL, which is based on two (2) months of electricity usage is sufficient to offset these debts. It is too early to assess the extent of any impairment loss to EFL at this stage.

Expected credit loss assessment for receivables as at 1 January 2019 and 31 December 2019

The Company uses an allowance matrix to measure the ECLs of receivables from individual customers, which comprise a large number of balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for receivables from individual customers as at 31 December 2019:

31 December 2019	Weighted-average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
Current – 30 days past due	0.10%	31,527	33	No
31 – 60 days past due	4.27%	494	21	No
61 – 90 days past due	15.04%	84	13	No
More than 90 days past due	18.04%	2,121	383	Yes
		34,226	**450**	
Other debtors	0.05%	9,517	5	
		43,743	**455**	

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

3. RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Credit Risk (cont'd)

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast GDP growth rates or inflation rates.

The movement in the allowance for impairment in respect of trade receivables and other receivables during the year is disclosed in note 9. Comparative amounts for 2018 represent the allowance account for impairment losses under IAS 39.

Impairment on other receivables has been measured on the 12 month expected loss basis.

Cash at bank and on hand

The Company held cash at bank of $70,716,467 at 31 December 2019 (2018: $154,579,511). The cash is held with a bank, which is rated Aa3 based on Moody's ratings.

Impairment on cash at bank and on hand has been measured on the 12 month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash at bank and on hand have low credit risk based on the external credit ratings of the counterparties.

Debt investment securities

The Company held debt investment securities of $104,905,000 at 31 December 2019 (2018: $39,953,000). The debt investment securities are held with banks which are rated Aa3 to B3 based on Moody's ratings. In relation to debt investment securities held with banks the Company monitors changes in credit risk by tracking published external credit ratings but when external credit ratings are not available or published, the Company monitors changes in credit risk by reviewing available press and regulatory information.

Impairment on debt investment securities held with banks has been measured on the 12 month expected loss basis and reflects the short maturities of the exposures. The Company considers that its debt investment securities held with banks have low credit risk based on the external credit ratings of the counterparties.

The Company recognised an impairment allowance of $95,327 as at 31 December 2019 (2018: $47,445).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure availability of funding. The Company monitors liquidity through rolling forecasts of the Company's cash flow position on daily basis. Overall, the Company does not see liquidity risk as high given that a reasonable portion of revenues are billed and collected. Further, we do not envisage any liquidity risk at this early stage of the COVID-19 pandemic in Fiji.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows.

(d) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities and financial assets and provisions are estimated to approximate their fair values.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

3. RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

Financial assets:	Less than one year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
Short term deposits (Note 8(a)	104,905	-	-	104,905
Receivables (Note 9)	43,288	-	-	43,288
Derivative financial asset (Note 3.1(a))	4,011	-	-	4,011
Total	**152,204**	**-**	**-**	**152,204**

Financial liabilities:	Less than one year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
Trade and other payables (Note 13)	40,173	38,952	55,801	134,926
Bonds payable (Note 15)	-	8,000	-	8,000
Interest bearing borrowings (Note 15)	20,637	88,680	102,418	211,735
Derivative financial liability (Note 3.1(a))	152	-	-	152
Total	**60,962**	**135,632**	**158,219**	**354,813**

3.2 Other risk

(i) Regulatory risk

The Company's profitability can be significantly impacted by regulatory agencies established which govern and control the electricity sector in Fiji. Specifically, fuel surcharges, regulatory fees and electricity tariffs are regulated by the Fijian Competition and Consumer Commission (FCCC). We envisaged that there will be nil regulatory risk since the impact of COVID-19 is more likely to negatively affect the demand of electricity should the pandemic is prolonged.

(ii) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Company cannot eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures. In terms of EFL's compliance to the COVID-19 pandemic from an operational risk point of view, we generally consider this risk as low at this stage.

(iii) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2019 and 2018 were as follows:	31-Dec-19 $'000	31-Dec-18 $'000
Total borrowings (Note 15)	219,735	277,519
Less: Cash and cash equivalents (Note 8)	(175,621)	(194,533)
Net debt	44,114	82,986
Total capital and reserves	850,791	805,083
Total capital (total capital and reserves plus net debt)	894,905	888,069
Gearing ratio (net debt / total capital and reserves plus net debt)	4.93%	9.34%

The decrease in the gearing ratio during the year is attributed by the repayments of loans amounting to $57.78M in 2019 as well as the profitability recorded for the year.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In application of the Company's accounting policies, which are described in Note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The critical judgements and assumptions made in applying the accounting policies of the Company have been disclosed under following notes to the financial statements:

Note 2 (j) – Allowance for inventory obsolescence
Note 2 (p) – Property, plant and equipment
Note 2 (l) – Allowance for impairment on receivables
Note 2(w) - Fuel Hedging

5. OPERATING REVENUE	2019 $'000	2018 $'000
ELECTRICITY SALES		
Commercial	176,668	173,423
Industrial	87,199	86,191
Domestic	90,678	85,314
Others	4,882	4,569
Total electricity sales	**359,427**	**349,497**
OTHER OPERATING REVENUE		
Bad debts recovered	8	15
Contract sales	1,285	1,240
Deferred income	2,526	1,780
Gain on disposal of plant and equipment	291	304
Lease rental - fibre optic	495	494
Power pole rentals	603	603
Rentals - others	17	8
Realised exchange gain, net	937	1,892
Sales and commissions	777	3,989
Service and licence fees	2,405	2,235
Training revenue	64	76
Reversal of impairment loss on other investments	-	24
Total other operating revenue	**9,408**	**12,660**
Total revenue	**368,835**	**362,157**

6. PROFIT BEFORE INCOME TAX	2019 $'000	2018 $'000
Profit before income tax has been determined after charging the following expenses:		
Allowance for impairment loss on trade and other receivables	(56)	47
Auditor's remuneration for auditing services	51	46
Professional fees for other services	608	503
Directors' fees	20	41
Depreciation on property, plant and equipment	43,025	40,799
Amortisation of intangible assets	394	397
Personnel costs	25,987	23,669

The electricity used internally by the Company in all its locations Fiji wide has been included as cost of producing electricity and therefore is not shown separately as electricity cost and revenue.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

7. a) INCOME TAX EXPENSE	2019 $'000	2018 $'000
The prima facie income tax on the pre-tax profit reconciles to the income tax expense as follows:		
Profit before income tax	79,276	79,801
Prima facie income tax payable at 20%	15,855	15,960
Tax effect of amounts which are not taxable in calculating taxable income:		
- Employee taxation scheme	(107)	(6)
- Amortisation of grant	(505)	(356)
- Tax effect of non - deductible items	289	288
Income tax expense attributable to profit	**15,532**	**15,886**
Income tax expense comprises movements in:		
Deferred tax assets	(169)	58
Deferred tax liabilities	5,637	4,967
Current tax liabilities	10,064	10,861
	15,532	**15,886**
b) DEFERRED TAX ASSET		
The deferred tax assets consist of the following deductible temporary differences at future tax rates:		
Allowance for impairment loss on accounts receivable and other financial assets	91	140
Unrealised exchange losses	218	
	309	**140**
c) DEFERRED TAX LIABILITY		
The deferred tax liabilities consist of the following taxable temporary differences at future tax rates:		
Difference in carrying value of property, plant and equipment for accounting and income tax purpose	60,696	55,007
Right of Use Asset	(26)	-
Unrealized exchange gain	-	26
	60,670	**55,033**
d) CURRENT TAX ASSETS/(LIABILITIES)		
Movement during the year were as follows:		
Balance at the beginning of the year	1,257	(3,056)
Income tax paid	9,368	14,958
Tax liability for the current year	(10,064)	(10,861)
IFRS 9 Adjustment	-	(23)
Resident Interest Withholding Tax deducted at source	291	239
Balance at the end of the year	**852**	**1,257**
8. CASH AND CASH EQUIVALENTS		
Short term deposits (a)	104,905	39,953
Cash at bank and on hand - EFL operation	9,233	45,951
USD bank account - off-shore	3,755	3,032
Project bank account - on-shore (b)	16,539	70,833
USD fuel payment bank account	30,997	17,567
USD hedge settlement bank account	10,193	17,197
Total cash and cash equivalents	**175,621**	**194,533**

(a) The short term deposit amounting to $45M is held with Bank of Baroda (BOB), $20M is held with Westpac Banking Corporation (WBC) and $40M is held with Home Finance Company Limited (HFC). These short term deposits has a maturity of three months or less from the date of inception. Accordingly, this deposit has been considered as cash and cash equivalents for the purpose of the statement of cash flows.

(b) The on-shore project bank account is in respect of funds committed to projects that are still in Work-in-Progress (WIP) or are yet to commence as at year end.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

9. RECEIVABLES AND PREPAYMENTS	2019 $'000	2018 $'000
Electricity debtors (a)	34,226	33,236
Other debtors (c)	9,517	22,452
Prepayments and deposits	5,199	4,336
	48,942	**60,024**
Allowance for doubtful debts		
- Electricity debtors	(450)	(505)
- Other debtors	(5)	(6)
Total receivables and prepayments (net)	**48,487**	**59,513**

(a) Electricity debtors include receivable from Government of Fiji amounting to $4.07M (2018: $3.31M).

(b) The terms of trade for electricity debtors are 14 days from the date of billing.

(c) Other debtors includes $7.3M receivable from the Government of Fiji in relation to Rural Electrification Projects.

Movements in the allowance for impairment loss of electricity debtors and other debtors are as follows:

Balance as at 1 January	511	700
Adjustment on initial application of IFRS 9	-	(186)
Impairment loss during the year	(56)	47
Bad debts written off against provision	-	(50)
Balance as at 31 December	**455**	**511**

As at 31 December, the ageing analysis of trade receivables is, as follows:

	Current (F$'000)	30 Days (F$'000)	60 Days (F$'000)	Over 60 Days (F$'000)	Total (F$'000)
2019	28,308	3,219	494	2,205	**34,226**
2018	31,023	555	202	1,456	**33,236**

The maximum exposure to credit risk at the reporting date is the fair value of each classes of receivables mentioned above less electricity deposits. The Company generally obtains security deposits in the form of bank guarantees and cash deposits from all electricity customers which is estimated based on two months electricity consumptions. The total carrying amount of security deposits in relation to the above trade receivables carried by the Company is $44.2M (2018: $43.6M). The rest are secured through bank guarantees maintained by the Company. A portion of this security deposit is refunded to customers on a daily basis.

10. INVENTORIES

Consumables - at cost	36,793	42,441
Goods in transit	332	597
Total inventories	**37,125**	**43,038**

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

11. PROPERTY, PLANT AND EQUIPMENT	2019 $'000	2018 $'000
Freehold land		
At cost	**28,943**	**28,943**
Leasehold land		
At cost	16,163	14,693
Accumulated depreciation	(2,519)	(2,363)
	13,644	**12,330**
Buildings and improvements		
At cost	89,342	89,293
Accumulated depreciation	(22,804)	(21,640)
	66,538	**67,653**
Dam, tunnels, water conductor		
At cost	553,056	553,056
Accumulated depreciation	(105,758)	(95,478)
	447,298	**457,578**
Plant, equipment and transmission assets		
At cost	749,832	692,932
Accumulated depreciation	(311,898)	(286,297)
	437,934	**406,635**
Furniture and fittings		
At cost	35,250	31,512
Accumulated depreciation	(22,646)	(21,194)
	12,604	**10,318**
Wind mill		
At cost	34,393	34,393
Accumulated depreciation	(21,496)	(19,774)
	12,897	**14,619**
Motor vehicles		
At cost	27,526	25,624
Accumulated depreciation	(20,707)	(18,668)
	6,819	**6,956**
Capital spares		
At cost	**5,123**	**4,027**
Capital works in progress		
- Rural and Urban Reticulation Projects	38,484	37,612
- Switchgear Upgrade (Labasa, Hibiscus Park & Suva Substations)	807	1,124
- New 10MW Heavy Fuel Oil (HFO) Genset at Vuda Power Station	-	3,067
- Replacement 2x132/33kV Transformers at Cunningham & Vuda Substations	3,929	-
- 33kV Underground Cabling Project from Cunningham Road Substation to Hibiscus Park Substation	5,216	3,281
- Rust Refurbishment of 132kV transmission towers	4,303	-
- Generator Rehabilitation Project at Wailoa Power Station	13,323	8,467
- Ageing Assets (Power Network Assets)	591	3,533
- New 132kV transmission development project-Virara to Koronubu, Ba	2,669	2,134
- 25MVA Transformer Upgrade & Replacement at Kinoya Power Station	3,054	3,999
- 33kV Outdoor Circuit Breaker-Western & Central Regions	2,033	-
- Control & Protection Panel Supply & Switchgear & 110V DC System at Wailoa Power Station	3,611	-
- EFL's Backbone Communication Network Upgrade for Viti Levu	1,136	-
- 33kV Underground Cable Waqadra to Denarau Substation	1,387	-
- 33/11kV Zone Substation at Naikabula, Lautoka	2,304	-
- Others	6,244	7,716
	89,091	70,933
Total		
- At cost	1,628,718	1,545,406
- Accumulated depreciation	(507,828)	(465,414)
Closing net book value	**1,120,891**	**1,079,992**

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out as follows:

	Freehold land $'000	Leasehold land $'000	Buildings & improvements $'000	Dam, tunnels and water conductor $'000	Plant, equipment & transmission assets $'000	Furniture & fittings $'000	Wind mill $'000	Motor vehicles $'000	Capital spares $'000	Capital work in progress $'000	Total $'000
Balance as at 1 January 2018	28,943	12,485	66,327	461,602	374,681	10,150	16,348	4,134	4,343	75,885	**1,054,898**
Additions	-	-	-	-	-	1,558	-	-	-	64,419	**65,977**
Transfers	-	-	2,469	6,243	56,052	-	-	4,612	(89)	(69,371)	**(84)**
Depreciation charge	-	(155)	(1,143)	(10,267)	(24,098)	(1,390)	(1,729)	(1,790)	(227)	-	**(40,799)**
Balance as at 31 December 2018	**28,943**	**12,330**	**67,653**	**457,578**	**406,635**	**10,318**	**14,619**	**6,956**	**4,027**	**70,933**	**1,079,992**
Additions	-	-	-	-	-	3,739	-	-	1,419	78,530	**83,688**
Disposals	-	-	-	-	-	(1)	-	(52)	-	-	**(53)**
Transfers	-	1,470	49	-	56,899	-	-	1,954	(97)	(60,372)	**(97)**
Adjustments to plant and equipment											
Depreciation charge	-	(156)	(1,164)	(10,280)	(25,600)	(1,452)	(1,722)	(2,039)	(226)	-	**(42,639)**
Balance as at 31 December 2019	**28,943**	**13,644**	**66,538**	**447,298**	**437,934**	**12,604**	**12,897**	**6,819**	**5,123**	**89,091**	**1,120,891**

a) Certain property, plant and equipment forming part of the Company's Power Infrastructure System are not insured for various risks including risk of losses arising from fire, cyclone, flooding, business interruption and others as the cost of insurance is significant.

b) In accordance with security arrangements in respect to secured borrowings from ANZ Bank, as discussed in Note 15 of the financial statements, property, plant and equipment have been pledged as security.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

12. INTANGIBLE ASSETS	2019 $'000	2018 $'000
Software License		
Gross carrying amount:		
Balance as at 1 January	7,952	7,952
Additions	-	-
Balance as at 31 December	**7,952**	**7,952**
Accumulated amortisation:		
Balance as at 1 January	(6,348)	(5,951)
Amortisation for the year	(394)	(397)
Balance as at 31 December	**(6,742)**	**(6,348)**
Net book amount	**1,210**	**1,604**

Software license are made up of the Company's Financial Management Information System, Payroll System, Billing System and other specialized Energy Monitoring Information System. The software license has been valued at cost and amortised by an impairment charge over its remaining life to arrive at the carrying amounts.

13. TRADE AND OTHER PAYABLES

Current		
Trade creditors	18,294	14,313
Other creditors and accruals	10,347	8,091
VAT payable	51	505
Accrued interest	470	674
Customer security deposits	1,296	1,423
General extension refundable deposits	9,715	4,851
Total current trade and other payables	**40,173**	**29,857**
Non-Current		
Customer security deposits	42,917	42,224
General extension refundable deposits	51,836	54,801
Total non-current trade and other payables	**94,753**	**97,025**

The customer security deposits relates to the reasonable cash deposit which is equivalent to two months electricity consumptions in accordance with the Electricity Act. This is refunded to the customer when the electricity account is permanently closed. The general extension refundable deposits are the capital contribution from prospective customers or developer for the supply of electricity from the Company's nearest grid in accordance with the General Extension Policy. The amount is refunded to the customer over a period of 5, 6 and 8 years respectively.

14. EMPLOYEE BENEFIT LIABILITY

Annual leave	1,250	1,102
Performance pay	2,197	2,007
Total employee benefit liability	**3,447**	**3,109**
Balance as at 1 January	3,109	2,942
Additional employee benefit liability provided during the year, net of payments	338	167
Carrying Amount as at 31 December	**3,447**	**3,109**
Employee numbers		
Number of full-time equivalent employees as at 31st December	867	805

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

15. INTEREST BEARING BORROWINGS	2019 $'000	2018 $'000
Current		
Bonds (a)	-	29,250
Term Loans - ANZ Bank (b)	16,816	17,974
Term Loan - Suva City Council (c)	51	50
Term Loans - FNPF (d)	3,770	4,963
Total current interest bearing borrowings	**20,637**	**52,237**
Non-Current		
Bonds (a)	8,000	8,000
Term Loans - ANZ Bank (b)	145,607	162,079
Term Loan - Suva City Council (c)	4,904	4,955
Term Loans - FNPF (d)	40,587	50,248
Total non-current interest bearing borrowings	**199,098**	**225,282**
Total interest bearing borrowings	**219,735**	**277,519**

(a) Bonds

The Reserve Bank of Fiji offers, manages and carries out registry services on behalf of the Company. The Company's bonds are issued in competitive tenders. The bonds are recorded at cost which reflects the face value of the bonds.

The remaining balance of the $8 million bonds are at the coupon rate of 7.19% per annum and are maturing on 3rd July 2023. The bonds are guaranteed by the Government of Fiji.

(b) Term loans - ANZ Bank

The interest bearing borrowings from ANZ Bank are at competitive rates and are repayable on monthly instalments. The term loans from ANZ Bank are secured by:

(i) First registered mortgage debenture over all assets and undertakings including capital and unpaid premiums.

(ii) International Swaps and derivatives association, Inc. (ISDA) 2002 Master Agreement.

(c) Term loan - Suva City Council

The term loan from Suva City Council (SCC) is subject to interest at fixed rate of 3% per annum and is unsecured. The loan is repayable over a period of 87 years in equal instalments of $200,000 on 25th July each year until July 2065.

(d) Term loan - FNPF

The interest bearing borrowings from FNPF is at an agreed interest rate of 5% per annum and are repayable on monthly instalments. The term loans from FNPF are secured by the guarantee given by the Government of Fiji.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

16.DEFERRED INCOME	2019 $'000	2018 $'000
EEC Grant In Aid		
EEC Grant in Aid	12,330	12,330
Less: accumulated amortisation	(10,157)	(9,674)
Closing balance - 31 December	**2,173**	**2,656**
Government Grant For Rural Electrification		
Government Grant for Rural Electrification (a)	101,490	87,852
Less: accumulated amortisation	(7,907)	(7,333)
Closing balance - 31 December	**93,583**	**80,519**
Australian Grant Cyclone Winston – Vehicle		
Australian Grant Cyclone Winston – Vehicle	140	140
Less: accumulated amortisation	(101)	(73)
Closing balance - 31 December	**39**	**67**
Government Grant - Somosomo Hydro		
Govt. Grant - Somosomo Hydro	14,642	14,642
Less: accumulated amortisation	(1,008)	(673)
Closing balance - 31 December	**13,634**	**13,969**
Government Grant - Waiyevo Taveuni		
Govt. Grant - Waiyevo Taveuni	6,296	6,296
Less: accumulated amortisation	(1,056)	(723)
Closing balance - 31 December	**5,240**	**5,573**
75% Non - Refundable Capital Contribution		
75% no-refundable capital contribution	4,933	1,767
Less: accumulated amortisation	(952)	(181)
Closing balance - 31 December	**3,981**	**1,586**
Total deferred income (net)	**118,649**	**104,370**

(a) In 2019, the Company received $27.64M (Net) in the form of capital grant (as part of non-refundable capital contribution) from the Government of Fiji to assist in the construction of rural electrification schemes. Further, EFL invoiced Government for some $7.3M in 2019 to fund certain rural electrification schemes. This amount remains outstanding at year end.

Reconciliation of the carrying amounts of deferred income at the beginning and end of the current financial year is set out as follows:

	EEC Grant In Aid $'000	Government Grant For Rural Electrification $'000	Australian Grant Cyclone Winston Vehicle $'000	Govt.Grant Somosomo Hydro $'000	Govt.Grant Waiyevo Taveuni $'000	75% Non-Refundable Capital Contribution	Total $'000
Balance as at 31 December 2018	**2,656**	**80,519**	**67**	**13,969**	**5,573**	**1,586**	**104,370**
Additions	-	13,638	-	-	-	3,167	16,805
Transfers from/(to)	-	-	-	-	-	-	**-**
Amortisation charge	(483)	(574)	(28)	(335)	(334)	(772)	**(2,526)**
Balance as at 31 December 2019	**2,173**	**93,583**	**39**	**13,634**	**5,239**	**3,981**	**118,649**

17. CONTINGENT LIABILITIES

(a) Miscellaneous claims

No provision has been recorded in the financial statements for unsecured contingent liabilities mainly in respect of sundry court actions against the Company. The Company estimates such liability, if any, to be immaterial.

(b) Contingent liabilities exist with respect to the following:	2019 $'000	2018 $'000
Bank guarantee	35	-
Letter of credit	-	9,212
Litigation claims - others	1,860	772
	1,895	**9,984**

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18. LEASES	2019 $'000	2018 $'000
As a lessee		
a) Right-of-use assets		
Recognised as at 1 January 2019	23,949	-
Additions	1,698	-
Adjustments	(56)	-
Depreciation charge for the year	(386)	-
Balance at 31 December 2019	**25,205**	**-**
(b) Lease liabilities		
Current	1,647	-
Non-Current	23,694	-
Total lease liabilities	**25,341**	**-**

Reconciliation of movement of liabilities to cash flows from financing activities.

	Interest Bearing Borrowings $'000	Lease Liability $'000	Total $'000
Balance at 1 January 2019	277,519	23,949	301,468
Changes from financing cash flows			
Repayment of borrowings	(57,784)	(249)	(58,033)
Proceeds from borrowings	-	-	-
Additions, net	-	1,641	1,641
Total changes from financing cash flows	**(57,784)**	**(1,392)**	**(56,392)**
Other changes – liability related			
Interest expense	10,335	1,490	11,824
Interest paid	(10,606)	(1,490)	(12,095)
Net movement in accrued interest	271	-	271
Total liability related other changes	**-**	**-**	**-**
Balance at 31 December 2019	**219,735**	**25,341**	**245,076**

19. COMMITMENTS a) Capital expenditure commitments	2019 $'000	2018 $'000
Capital expenditure contracted for at balance date but not otherwise provided for in the financial statements.	**34,274**	**31,371**
Projects approved by the Board but not contracted for at balance date	**105,905**	**166,692**

Capital expenditure commitments are in respect of the following projects: Distribution reinforcement projects, urban reticulation and rural electrification projects, the purchase of electricity meters and motor vehicles, the upgrading of the Monasavu Hydro-Electric Scheme. The 33kV sub-transmission network development at Naikabula, 132kV transmission tower replacements, equipment and system upgrades to enhance power supply security and reliability through greater automation, the development of a new 5MW solar farm at Nadi and the new 132kV transmission network development from Virara, Ba to Koronubu, Ba, among other capital projects.

(b) Operating lease revenue commitments

Operating leases contracted for the rental of fibre optic and power poles by the Company with the lessees are receivable as follows:

	2019	2018
Later than one year	1,089	1,089
Later than one year but not later than five years	-	-
Total operating lease revenue commitments	**1,089**	**1,089**

Notes To And Forming Part Of The Financial Statements
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(c) Operating lease expenditure commitments

	2019 $'000	2018 $'000
Native and Crown leasehold land and other premises		
Later than one year	-	1,604
Later than one year but not later than five years	-	5,876
Later than five years	-	103,599
Total operating lease expenditure commitments	**-**	**111,079**

The Native and Crown leasehold lands includes the lease obtained for the Monasavu land. The settlement signed with the Monasavu Land Owners and the iTaukei Land Trust Board commits EFL to the following future payments:

Later than one year	-	840
Later than one year but not later than five years	-	3,360
Later than five years	-	64,680

(d) Other commitments

(i) The Energy Fiji Limited (EFL) has a commitment with Pernix (Fiji) Limited (PFL) whereby the PFL operates and maintains Kinoya and Vuda Power Stations at contractually determined rates for the Company. The power produced at these two Diesel Power Stations is directly connected with the main power grid of the EFL. PFL's contract with EFL will expire on 26 May 2028.

(ii) The Company also has commitment with various other Independent Power Producers (IPPs) for purchase of energy.

20. EVENTS SUBSEQUENT TO BALANCE DATE

Global forecasted demand for oil has been disrupted by the following significant events:
i) Global outbreak of the pandemic COVID 2019 virus, and
ii) A price war between Saudi Arabia and Russia over oil production capacity.
As a result of these events, the oil price has dropped significantly to unprecedented levels. As at 31 December 2019, the spot price for Brent oil was US$66/b and as at 18th March 2020 the spot price for Brent oil fell to US$28.79/b.

iii) The novel coronavirus (COVID-19) global outbreak developed subsequent to the year end presents a significant challenge for Fiji and many countries including the main trading partners of Energy Fiji Limited. The impact of COVID-19 outbreak on public life and the economy in Fiji and globally is expected to affect the overall operations of the company including its liquidity and cash flows for 2020 financial year. While this is expected to have a negative impact on the financial performance of the company in 2020, the company cannot quantify the magnitude and duration of such impact at this time given the fluidity of the situation. The company continues to monitor and assess its business operations daily, and will undertake actions as appropriate. In connection with the COVID-19 outbreak, the company has implemented precautionary measures, protocols and arrangements to minimize the disruptions to its day to day operations and continue with its business as usual.

In the event the situation becomes worse and have prolonged negative impact on the day to day operations of the business in Fiji and the global economy, the company may not be able to realize the carrying values of its assets and liabilities recorded in its book as at 31 December 2019 at its recorded values, and adjustments may be required in the 2020 financial year in relation to these added risks and material uncertainties. At this stage, the financial statements do not reflect uncertain financial implications, if any, arising in future from this situation

iv) On 26th March 2020, the Minister for Economy announced as part of the Government COVID-19 Pandemic supplementary budget for 2020 that EFL to match the Government subsidy of around 50% offered to the subsidized customers for 6 months effective from 1st April 2020. The total amount EFL is estimated to spend as its contribution towards this assistance will be around $3.3M over the 6-month period.

v) On 8 April 2020, TC Harold headed to Fiji where it hit the Fiji Group as a Category 4 cyclone. The cyclone caused power disruptions and caused damage to the power network infrastructures as a result of fallen trees and widespread flooding. EFL estimate that the cost of the power restoration to the affected areas in Fiji to be around $2M. The areas that were severely affected by TC Harold are Sigatoka, Nadarivatu, Tailevu North, Korovou, Nausori and Nakasi districts.

There were no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Notes To And Forming Part Of The Financial Statements
For The Year Ended 31 December 2019

21. SIGNIFICANT EVENTS DURING THE YEAR

a) On 23 August 2019, The Government of the Republic of Fiji announced that it had entered into an agreement to divest 20% of the shares in Energy Fiji Limited ("EFL") to the Fiji National Provident Fund ("FNPF"). The sale was concluded on 11 October for a sum of $206,109,989.13. Following the divestment, the Government will retain 75% of the shares in EFL, with the remaining shares held by FNPF (20%) and the eligible domestic account holders (5%).

b) The Fijian Competition and Consumer Commission announced the increase in electricity tariff by 2.74 percent effective from 1st October 2019.

c) The new Electricity Act 2017 was gazetted on 30th September 2019 and was in effect from that date.

22. RELATED PARTY TRANSACTIONS

(a) Significant transactions (transaction value of over $200,000) with related parties during the year ended 31 December 2019 with approximate transaction values are summarized as follows:

	2019 $'000	2018 $'000
Government guarantee fee expensed during the year (i)	430	723
Interest expense - FNPF (shareholder) loan	2,355	1,924

(i) The Government of Fiji also provides guarantees on the bonds issued by RBF for the Company. As at balance date, the Company had borrowed funds amounting to $52.4 million under this guarantee.

(b) Directors

The names of persons who were directors of the Company during the year 2019 are as follows:

Daksesh Patel (Chairman)
Gardiner Henry Whiteside (Deputy Chairman)
Alipate Naiorosui (Term Expired - May 2019)
David Kolitagane
Kamal Gounder
Tevita Kuruvakadua (Appointed-November 2019)
Hasmukh Patel

The directors fees paid during the year were $19,875

(c) Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly (whether executive or otherwise) of the Company.

During the year, the Chief Executive Officer and Executive Management Group were identified as the key management personnels.

The aggregate remuneration and compensation paid to key management personnel, for the financial year ended 31 December 2019 and 2018 were:

	2019	2018
Salary, performance pay and allowances	1,997	1,715
Superannuation	187	172
Other benefits	3	3
Total	**2,187**	**1,890**

(d) During the year, the Company supplied electricity to the Shareholder and Shareholder related entities, Directors, related entities and executives at normal commercial rates, terms and conditions.

(e) Receivable/payable to related parties have been disclosed in respective notes to the financial statements.

(f) Fiji Renewables Pte Limited (FRL) is a 100% owned subsidiary of Energy Fiji Limited (EFL). FRL was established on 17th January 2018 with the responsibility of developing renewable energy projects in Fiji. Viti Renewables Pte Ltd (VRL) was formed and registered on 17th January 2018, which is a Joint Venture between FRL (51%) and Sunergise (49%). The VRL did not generate any revenue in the financial year 2019.

Notes To And Forming Part Of The Financial Statements

For The Year Ended 31 December 2019

23. SHARE CAPITAL

	2019 $'000	2018 $'000
Issued and paid up 500,000,000 shares	750,000	750,000

The $750M share capital is made up of 500,000,000 shares. Out of the 500,000,000 shares, 75% (375,000,000 shares) is currently retained by Government, 20% (100,000,000 shares) held by FNPF and 5% (25,000,000 shares) to be issued to the Non-Voting Shareholders (domestic customers of EFL). Out of the 25,000,000 shares approved for the 5% non-voting shareholders, 7,158,400 shares were issued as at 31 December 2019 and the balance of 17,841,600 shares were held in trust with the Central Share Registry Pte Limited (CSRL).

24. RESERVES

Hedge reserve

The hedge reserve is used to recognise the effective portion of changes in the fair value of cash flow hedging instruments. If the hedging instrument no longer meets the criteria for hedge accounting, is expired or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedge reserve remains there until the forecast transaction is recognised in profit or loss.

Hedging reserves	1,760	(10,204)

Generation Statistics For The Past 10 Years

Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Units Generated Wailoa Hydro Mwh	382,963	424,818	466,765	420,195	314,341	320,875	384,451	381,527	433,970	454,262
Units Generated Wainiqeu Hydro Mwh	898	1,968	1,027	2,056	983	834	718	448	129	877
Units Generated Wainikasou Hydro Mwh	19,238	19,404	18,721	5,935	15,027	19,895	21,258	20,912	21,712	18,230
Units Generated Nagado Hydro Mwh	10,520	10,279	8,856	611	3,080	11,357	3,296	-	-	-
Units Generated Nadarivatu Hydro Mwh			29,892	98,600	67,537	52,988	85,765	86,075	108,739	83,497
Units Generated Somosomo Hydro Mwh								2,227	2,159	2,526
Total Generated Hydro MWh	413,619	456,469	525,261	527,397	400,968	405,949	495,488	491,189	566,709	559,392
Units Generated in VLIS Diesels MWh	236,356	211,767	94,215	94,425	230,957	227,042	83,283	116,470	69,136	54,552
Units Generated Diesel Others MWh	52,537	44,453	48,187	46,971	49,605	47,258	49,615	50,609	54,866	51,812
Units Generated HFO Kinoya & Vuda	126,237	83,540	128,881	183,359	173,477	206,122	291,609	323,879	299,739	343,258
Total Generated Thermal MWh	415,130	339,760	271,283	324,755	454,039	480,422	424,507	490,958	423,741	449,622
Unit Generated from Butoni Wind Farm	6,420	4,977	6,809	5,348	4,269	5,674	3,632	2,083	2,558	3,419
Total Generated Wind & Solar MWh	6,420	4,977	6,809	5,348	4,269	5,674	3,632	2,083	2,558	3,419
Total EFL Generation (MWh)	835,169	801,206	803,353	857,500	859,276	892,045	923,628	984,230	993,009	1,012,433
Generation - Independent Power Producers	19,800	35,975	38,902	14,719	32,513	22,350	10,580	23,483	39,939	48,816
Total Generation (MWh)	**854,969**	**837,181**	**842,255**	**872,219**	**891,789**	**914,395**	**934,208**	**1,007,713**	**1,032,947**	**1,061,249**
Made up of										
Total VLIS Generation (MWh)	781,734	754,785	754,139	808,473	808,687	843,953	873,294	930,945	935,855	957,218
Total Other Generation (MWh)	53,435	46,421	49,214	49,027	50,589	48,091	50,334	53,285	57,154	55,215
Station Auxilliary usage MWh	9,268	8,952	8,343	9,196	10,130	8,106	11,281	11,873	12,139	12,574
Auxilliaries as % of Generation	1.11%	1.12%	1.04%	1.07%	1.18%	0.91%	1.22%	1.21%	1.22%	1.24%
% contribution from Hydro	49.53%	56.97%	65.38%	61.50%	46.66%	45.51%	53.65%	49.91%	57.07%	55.25%
% contribution from Thermal	49.71%	42.41%	33.77%	37.87%	52.84%	53.86%	45.96%	49.88%	42.67%	44.41%
% contribution from Wind & Solar	0.77%	0.62%	0.85%	0.62%	0.50%	0.64%	0.39%	0.21%	0.26%	0.34%
% increase / (decrease) in Hydro Generation	-10.12%	10.36%	15.07%	0.41%	-23.97%	1.24%	22.1%	-0.9%	15.4%	-1.3%
% increase / (decrease) in Thermal VLIS Generation	36.18%	-18.56%	-24.45%	24.51%	45.59%	7.10%	-13.5%	17.5%	-16.2%	7.8%
% increase / (decrease) in Total Thermal Generation	33.95%	-18.16%	-20.15%	19.71%	39.81%	5.81%	-12%	16%	-14%	6%
% increase / (decrease) in Total Generation	7.44%	-4.07%	0.27%	6.74%	0.21%	3.81%	4%	7%	1%	2%
Maximum Dam Level (AMSL)	739	743	747	743	736	742	747	746	746	746
Minimum Dam level (AMSL)	727	735	731	730	724	734	739	734	734	730

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Head Office 2 Marlow Street, Private Mail Bag Suva, Fiji Islands
• Tel (679) 3313 333 • Fax (679) 3311 882
www.efl.com.fj