

**SPREP**  
**Executive Management's Report**  
**For the year ended 31 December 2015**

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We are pleased to present the Secretariat's financial statements and the independent auditors report thereon for the financial year ended 31 December 2015.

During the year we expended US\$17.7 million dollars compared to budgeted expenditure of US\$20.0 million dollars while our total cash holdings at year end amounted to US\$5.3 million dollars. The Secretariat has generated a negative operating result as per the income statement relative to a balanced budget for the same period.

**Responsibility for Financial Reporting**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared according to International Financial Reporting Standards and include amounts based on management's best estimates and judgments.

Management has established and been maintaining accounting and internal control systems which include clearly stated policies and procedures. These systems are designed to provide reasonable assurance that our financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements, and that our assets are properly safeguarded.

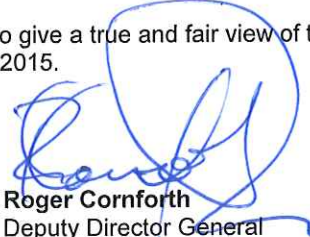
SPREP Members oversee management's responsibilities for financial reporting. The financial statements have been reviewed and approved by the SPREP Members on recommendation from management.

Our independent auditors (Betham & Co.), having been appointed by the SPREP Members, have audited our financial statements. The accompanying independent auditors' report outlines the scope of their examination and their opinion.

In our opinion:

- a. The accompanying statement of income is drawn up so as to give a true and fair view of the results of the Secretariat for the year ended 31 December 2015;
- b. The accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the Secretariat's affairs as at 31 December 2015;
- c. The accompanying statement of movement in reserves is drawn up so as to give a true and fair view of the movement of funds and reserves of the Secretariat for the year ended 31 December 2015; and
- d. The accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows for the Secretariat for the year ended 31 December 2015.

  
**Leota Kosi Latu**  
Director General

  
**Roger Cornforth**  
Deputy Director General

30 May, 2016

**SPREP**  
**Executive Management's Report**  
**For the year ended 31 December 2016**

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The Executive Management present the annual report together with the financial statements of the Secretariat for the year ended 31 December 2016 as set out on the following pages and auditors' independent report thereon in accordance with the Secretariat's Financial Regulations.

**Executive Management:**

The Executive Management in office as at date of this report are:

Leota Kosi Latu – Director General  
Roger Cornforth – Deputy Director General  
Netatua Pelesikoti – Director, Climate Change  
Stuart Chape – Director, Biodiversity & Ecosystem Management  
Clark Peteru – Legal Adviser  
Simeamativa Vaai – Human Resource Adviser  
Petra Chan Tung – Finance & Administration Adviser

**Principal Activity:**

The purposes of SPREP is to promote co-operation in the Pacific region and to provide assistance in order to protect and improve its environment and to ensure sustainable development for present and future generations.

**Operating Results:**

We are pleased to present the following operating results of the Secretariat for the financial year as at 31 December 2016:

- During the year the Secretariat expended US\$16.04 million dollars compared to expenditure of US\$16.32 million in 2015 which was evidence of active cost controls by management which resulted in cost savings for the period.
- The net surplus for the period was \$346,898 compared to the net deficit of \$261,729 in 2015.
- Due to a sound decision by management to maintain predominantly USD holdings to minimize foreign exchange exposure, there was a reduction in foreign exchange losses from \$344,333 in 2015 to US\$98,258 in 2016.
- As a result of the net surplus of US\$346,898, the negative balance in Total Reserves was reduced from US\$778,112 in 2015 to US\$468,160 in 2016 which is a noticeable improvement.
- Management recognizes that there is a still need to maintain sustainability of funding with a view to removing negative reserves to ensure a strong financial position for the Secretariat moving forward.
- The challenge for the Secretariat moving forward is the collective effort by Members and Executive Management to reduce and eventually eliminate the overall negative reserves of US\$468,160 in Total Reserves. Hence, the Secretariat must focus on areas of generating sufficient funds from both Member Countries and Donors to resolve this issue of negative reserves and thus the overall financial sustainability of SPREP in the long term.

**Responsibility for Financial Reporting and State of Affairs**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared according to International Financial Reporting Standards and include amounts based on management's best estimates and judgments.

Management has established and been maintaining accounting and internal control systems which include clearly stated policies and procedures. These systems are designed to provide reasonable assurance that our financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements, and that our assets are properly safeguarded.

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SPREP Members oversee management's responsibilities for financial reporting. The financial statements have been reviewed and approved by the SPREP Members on recommendation from management.

Our independent auditors (BDO Samoa.), having been appointed by the SPREP Members, have audited our financial statements. The accompanying independent auditors' report outlines the scope of their examination and their opinion.

In our opinion:

- a. The accompanying statement of income is drawn up so as to give a true and fair view of the results of the Secretariat for the year ended 31 December 2016;
- b. The accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the Secretariat's affairs as at 31 December 2016;
- c. The accompanying statement of movement in reserves is drawn up so as to give a true and fair view of the movement of funds and reserves of the Secretariat for the year ended 31 December 2016; and
- d. The accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows for the Secretariat for the year ended 31 December 2016.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorize the attached financial statements for issue on behalf of the Executive Management of the Secretariat.



**Leota Kosi Latu**  
Director General

  
**Roger Cornforth**  
Deputy Director General

March 30, 2017