ST. VINCENT ELECTRICITY SERVICES LIMITED

FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative figures as at and for the year ended December 31, 2016)

ST. VINCENT ELECTRICITY SERVICES LIMITED

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CORPORATE INFORMATION

Registered Office

Kingstown
St. Vincent and the Grenadines

Directors

Ms. René M. Baptiste – Chairman, C.M.G., LL.B (Hons.), L.E.C.
Mr. Maurice Edwards – BSc, CGA, O.B.E.
Mr. Godfred Pompey – Q.A.T, BSc., MA
Mr. Brian George – B. Eng. (Hons.), MSc, PMP
Mr. Simon Glynn
Mr. Patrick Da Silva
Mr. Tyrone Burke
Mr. Lance Peters
Mr. Alex Williams

Company Secretary

Mrs. Juliette Hinds-Wilson – CMA, ACIS

Chief Executive Officer

Mr. Thornley Myers – MSc, MASC, Dip. Mgmt.

Solicitors

Saunders & Huggins

Bankers

The Bank of Nova Scotia
CIBC FirstCaribbean International Bank (Barbados) Limited
Bank of St. Vincent and the Grenadines Ltd
RBTT Bank (Caribbean) Ltd

Auditors

KPMG Chartered Accountants

KPMG
First Floor
National Insurance Services Headquarters
Upper Bay Street
P.O. Box 587, Kingstown
St. Vincent and the Grenadines

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INDEPENDENT AUDITORS' REPORT

To the Shareholder
St. Vincent Electricity Services Limited
Kingstown

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St. Vincent Electricity Services Limited ("the Company"), which comprise the statement of financial position as at December 31, 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

INDEPENDENT AUDITORS' REPORT, CONTINUED

To the Shareholder
St. Vincent Electricity Services Limited

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as 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 is 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 the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

INDEPENDENT AUDITORS' REPORT, CONTINUED

To the Shareholder
St. Vincent Electricity Services Limited

Auditors' Responsibilities for the Audit of the Financial Statements, continued

- 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 used and the reasonableness of accounting estimates and related disclosures made by management.

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

We 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 we identify during our audit.

KPMG

Chartered Accountants
Kingstown, St. Vincent and the Grenadines
July 27, 2018

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Financial Position
As of December 31, 2017
With comparatives as of December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Note	2017 $	Restated 2016 $
Assets			
Property, plant and equipment	5	175,351,247	182,760,804
Long-term investments	6	9,619,338	11,297,156
Total non-current assets		184,970,585	194,057,960
Inventories	8	3,933,144	1,956,025
Current portion of long-term investments	6	1,677,818	1,604,790
Short-term investments	9	16,567,939	23,205,372
Trade and other receivables	10	32,468,026	30,352,860
Income tax refundable		127,091	-
Prepayments		909,581	587,438
Cash at bank		1,342,583	7,712,077
Total current assets		57,026,182	65,418,562
Total assets		241,996,767	259,476,522
Equity			
Share capital	11	29,045,910	29,045,910
Self-insurance fund	5	24,389,199	27,000,000
Retirement benefit reserve	12	-	(684,320)
Retained earnings		83,789,803	82,460,816
Total equity		137,224,912	137,822,406
Liabilities			
Borrowings	13	28,070,676	39,317,519
Consumers' contributions to line extensions	14	1,555,477	2,344,324
Deferred grant income	15	122,350	130,160
Consumers' deposits	16	11,676,971	11,178,107
Retirement benefit obligation	7	-	601,896
Deferred tax liability	17	32,203,299	29,123,412
Total non-current liabilities		73,628,773	82,695,418
Income tax payable		-	145,362
Current portion of borrowings	13	11,432,195	13,641,268
Trade and other payables	18	18,819,970	25,172,068
Bank overdraft		890,917	-
Total current liabilities		31,143,082	38,958,698
Total liabilities		104,771,855	121,654,116
Total equity and liabilities		241,996,767	259,476,522

The financial statements on pages 4-8 were approved for issue by the Board and signed on its behalf by:

René Baptiste
Director

M. Edwards
Director

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2017
With comparative figures for year ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Note	2017 $	2016 $
Revenues			
Energy sales		69,493,571	70,479,146
Fuel surcharge recovered		38,220,690	33,113,741
Other revenue		1,188,676	1,168,909
		108,902,937	104,761,796
Operating expenses			
Diesel generation		27,938,690	30,892,761
Hydro generation		3,848,197	3,676,106
Renewable energy purchased		234,902	189,420
Transmission and distribution		11,529,402	11,186,904
Fuel surcharge		38,304,473	33,785,565
Administrative expenses		20,333,015	13,151,990
	19	102,188,679	92,882,746
Operating profit		6,714,258	11,879,050
Other gains, net	20	113,850	179,498
Profit before net finance		6,828,108	12,058,548
Finance income		1,101,015	1,487,358
Finance costs		(1,543,463)	(2,852,671)
Net finance costs		(442,448)	(1,365,313)
Profit before taxation		6,385,660	10,693,235
Income tax expense	21	(6,618,526)	1,667,981
(Loss)/profit for the year		(232,866)	12,361,216
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Re-measurement of defined benefit pension plan, net of tax, being total other comprehensive loss for the year	7(a)	(364,628)	(321,905)
Total comprehensive (loss)/income for the year		(597,494)	12,039,311
Earnings per share	22	(0.04)	2.13

The notes on pages 9 to 43 are an integral part of these financial statements.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Changes in Equity
For the year ended December 31, 2017
With comparative figures for the year ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Share capital $	Self-insurance fund $	Retirement benefit reserve $	Retained earnings $	Total $
Balance as of December 31, 2016, as restated	29,045,910	27,000,000	(684,320)	82,460,816	137,822,406
Total comprehensive income for the year					
Loss for the year	-	-		(232,866)	(232,866)
Other comprehensive loss (note 12)	-	-	-	(364,628)	(364,628)
Total comprehensive loss for the year	-	-	-	(597,494)	(597,494)
Transactions with owners, recorded directly in equity	-	-	-	-	-
Retirement benefit reserve	-	-	684,320	(684,320)	-
Self- insurance fund (notes 5 and 27)	-	(2,610,801)	-	2,610,801	-
Balance as of December 31, 2017	29,045,910	24,389,199	-	83,789,803	137,224,912

The notes on pages 9 to 43 are an integral part of these financial statements.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Changes in Equity
For the year ended December 31, 2017
With comparative figures for the year ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Share capital	Self-insurance fund	Retirement benefit reserve	Retained earnings	Total
	$	$	$	$	$
Balance as of December 31, 2015, as restated	29,045,910	27,000,000	(362,415)	86,602,310	142,285,805
Total comprehensive income for the year					
Impact of change in policy	-	-	-	924,836	924,836
Profit for the year	-	-	-	12,361,216	12,361,216
Other comprehensive income	-	-	(321,905)	-	(321,905)
Total comprehensive income for the year	-	-	(321,905)	13,286,052	12,964,147
Transactions with owners, recorded directly in equity					
Dividend declared	-	-		(17,427,546)	(17,427,546)
Balance as of December 31, 2016	29,045,910	27,000,000	(684,320)	82,460,816	137,822,406

The notes on pages 9 to 43 are an integral part of these financial statements.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Cash Flows
For the year ended December 31, 2017
With comparative figures for the year ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Note	2017 $	2016 $
Cash flows from operating activities			
(Loss)/profit for the year		(232,866)	12,361,216
Adjustments for:			
Depreciation	5	19,690,452	19,907,086
Amortization of consumers' contributions to line extensions	14	(1,254,935)	(1,232,787)
Gain on disposal of property, plant and equipment		(125,202)	(165,900)
Finance costs		1,543,463	2,852,671
Defined benefit pension expense		428,594	251,071
Defined benefit plan contributions	7 (a)	(1,202,511)	(290,002)
Foreign exchange gain		-	(13,598)
Amortization of deferred grant income	15	(7,810)	(8,308)
Finance income		(1,101,015)	(1,487,358)
Income tax expense		6,618,526	(1,667,981)
Operating profit before working capital changes		24,356,696	30,506,110
Change in inventories		(2,811,216)	1,841,293
Change in trade and other receivables		(2,217,446)	10,612,338
Change in prepayments		(322,143)	(306,711)
Change in trade and other payables		120,133	2,529,546
Cash generated from operations		19,126,024	45,182,576
Interest paid		(2,521,706)	(2,365,882)
Interest received		1,203,295	1,613,766
Income tax paid		(4,003,699)	(8,877,933)
Net cash generated from operating activities		13,803,914	35,552,527
Cash flows from investing activities			
Acquisition of short-term securities		-	(961,448)
Proceeds from redemption of short-term securities		6,637,432	-
Acquisition of property, plant and equipment	5	(11,446,798)	(10,673,339)
Proceeds from disposal of property, plant and equipment		125,202	165,900
Proceeds from redemption of long term securities		1,604,790	1,534,941
Net cash used in investing activities		(3,079,374)	(9,933,946)
Cash flows from financing activities			
Change in consumers' deposits		217,522	202,095
Repayment of borrowings		(13,455,915)	(9,896,955)
Dividends paid		(5,212,646)	(12,006,956)
Net change in consumers' contributions	14	466,088	254,739
Net cash used in financing activities		(17,984,951)	(21,447,077)
Net (decrease)/increase in cash and cash equivalents		(7,260,411)	4,171,504
Cash and cash equivalents - beginning of year		7,712,077	3,540,573
Cash and cash equivalents - end of year		451,666	7,712,077
Represented by:			
Cash and cash equivalents		1,342,583	7,712,077
Bank overdraft		(890,917)	-
		451,666	7,712,077

The notes on pages 9 to 43 are an integral part of these financial statements.

1. Reporting entity

St. Vincent Electricity Services Limited ("the Company") was incorporated under the laws of St. Vincent and the Grenadines on November 27, 1961 and continued as Company 64 of 1961 under Section 365 of the Companies' Act of 1994, under the laws of St. Vincent and the Grenadines. The Company operates under the Electricity Supply Act of 1973, and has an exclusive license for the exercise and performance of functions relating to the supply of electricity in St. Vincent and the Grenadines. The Company's registered office is situated at Paul's Avenue, Kingstown, St. Vincent and the Grenadines.

The Company is 100% owned by the Government of St. Vincent and the Grenadines.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved for issue by the Board of Directors on July 26, 2018.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Eastern Caribbean dollars, which is the Company's functional currency. All financial information is presented in Eastern Caribbean dollars, unless otherwise indicated, and has been rounded to the nearest dollar.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3(i) - Impairment
- Note 3(o) - Revenue recognition
- Note 4(b) - Measurement of fair values

2. Basis of accounting (cont'd)

(d) Use of estimates and judgements (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended December 31, 2017 is included in the following notes:

- Note 7 - Retirement benefit obligation (principal actuarial assumptions)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. As more fully described in note 4(b), there are no quoted prices for the investment securities which the Company holds. Accordingly, fair value is estimated using valuation techniques. The Manager, Finance, has overall responsibility for overseeing all significant fair value measurements, including level three fair values. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The use of estimated, based on judgements, gives rise to uncertainty.

Further information about the assumptions made in measuring fair values are included in the following notes:

- Note 4 - Financial instruments- fair values and risk management

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into Eastern Caribbean dollars at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(b) Cash, cash equivalents and short-term investment securities

Cash comprises cash on hand and demand deposits held with banks. Cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments rather than for investment purposes and original maturities of ninety (90) days or less at the date of purchase. Highly liquid investments include deposits where the maturities do not exceed three months from the acquisition date. Investments with maturities between ninety (90) days and one year at the date of purchase, and consist primarily of certificates of deposit are considered to be short-term investment securities. Cash and cash equivalents and short term investment securities are measured at amortized cost.

3. Significant accounting policies (cont'd)

(c) Dividends

Dividends that are proposed and declared after the reporting date are not shown as a liability but are disclosed as a note to the financial statements.

Dividends declared are recognised as a liability in the Company's financial statements in the period in which they become a constructive obligation.

(d) Trade receivables

Trade receivables are carried initially at fair value and subsequently measured at amortized cost less a provision for doubtful debts. The provision for doubtful debts is determined by reference to specific disconnected consumers' accounts. Customers whose service have been disconnected during the current financial year and those that have been disconnected in excess of one year are subject to a provision of 50% and 100%, respectively on the outstanding balance, less deposits thereon.

(e) Inventories

Inventories are measured at the lower of cost, cost being determined on the weighted average basis, and net realizable value. Allowance is made for obsolete, slow-moving and damaged goods.

Goods-in-transit are stated at invoiced cost.

(f) Financial instruments

(i) Classification

The Company classifies non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(ii) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognizes trade and other receivables and debt securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

3. Significant accounting policies (cont'd)

(f) Financial instruments (cont'd)

(ii) *Non-derivative financial assets and financial liabilities – recognition and derecognition, (cont'd)*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Non-derivative financial assets - measurement

Loans and receivables
On initial recognition, these assets are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Held-to-maturity financial assets
On initial recognition, these assets are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets
The Company's investments in equity securities are classified as available-for-sale financial assets. On initial recognition, available-for-sale financial assets are measured at fair value plus any attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3 (i)) and foreign exchange gains and losses on available-for-sale monetary items (see note 3 (a)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the cumulative gain or loss in equity is reclassified to profit or loss.

(iv) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

(g) Property, plant and equipment

(i) Recognition and measurement

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The net proceeds of assets disposed of or retired during the year less the net book value of such assets are taken to profit or loss.

4. Significant accounting policies (cont'd)

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

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(iii) Depreciation

Land is not depreciated. No depreciation is provided on work-in-progress until the assets involved have been completed and are available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

- Freehold property — $2\frac{1}{2}$ - 5% per annum
- Generation plant & machinery — 5 - 20% per annum
- Transmission & distribution — 5 - 6% per annum
- Motor vehicles — 25% per annum
- Furniture and equipment — $12\frac{1}{2}$% per annum

Depreciation is recognized in profit or loss.

(iv) Other

The assets' residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(h) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income (OCI) in which case it is recognised in equity or OCI as appropriate.

3. Significant accounting policies (cont'd)

(h) Income tax (cont'd)

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences relating to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax 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 only if certain criteria are met.

3. Significant accounting policies (cont'd)

(i) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

(ii) Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset’s carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3. Significant accounting policies (cont'd)

(i) Impairment (cont'd)

(iii) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

(iv) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories), to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Trade and other payables

A financial liability is classified as at fair value through profit or loss if is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

3. Significant accounting policies (cont'd)

(k) Borrowings

Borrowings are recognized at fair value, being their issue proceeds, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized 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 reporting date.

(l) Consumers` deposits

Given the long-term nature of the customer relationship, customers' deposits are shown as non-current liabilities.

Customers' deposits are refundable on termination of supply and bear interest at the rate of 4% per annum.

(m) Consumers` contributions

In certain specified circumstances, consumers requiring line extensions are required to contribute the estimated capital cost of the extensions. These contributions are amortized over the estimated useful lives of the relevant capital cost on the straight line basis by way of a reduction of the depreciation charge under transmission and distribution costs. Contributions in excess of the applicable capital cost of line extensions are recorded as other revenue in the period in which they are completed. The capital costs of consumer line extensions are included in property, plant and equipment.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Among the rights attaching to the Company's issued ordinary shares are the right to:

(i) attend and vote at meetings of shareholders of the Company; and
(ii) receive dividends as declared from time to time by the Company

(o) Revenue recognition

Revenue is income that arises in the course of the ordinary activities of the Company. It comprises income from the sale of energy and from fuel surcharge, which are recognised and measured as follows:

(i) Sale of energy

Revenue from energy sales is based on (1) meter readings, which are carried out on a rotational basis throughout each month, and (2) estimates of customer use between the meter reading date and the reporting date. The accrual for such unbilled sales is calculated on the basis of apportionment of revenue derived from the meter reading period next following the reporting date. The amount for unbilled sales is included in accrued income.

3. Significant accounting policies (cont'd)

(o) Revenue recognition

(ii) *Fuel surcharge*

In addition to the normal tariff rates charged for energy sales, a fuel surcharge is calculated which is based on the difference between the cost of fuel used to generate energy sales in the current month and the fuel price at the base period. The surcharge is recovered by applying the month's surcharge rate to units billed in the following month. The provision for unbilled fuel surcharge is included in accrued income.

(p) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pension

The Company provides retirement benefits, under a defined-benefit plan and a defined-contribution plan, for substantially all of its employees. The pension plans are funded by payments from employees and the Company, taking account of the recommendations of independent qualified actuaries.

(i) Defined-benefit plan

A defined-benefit plan is one that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The defined-benefit plan is a multi-employer scheme. There are five contributing employers; the others are Anguilla Electricity Company Ltd., Montserrat Electricity Services Ltd., St. Lucia Mortgage Finance Company Ltd. and St. Lucia Electricity Services Ltd. Multi-employers schemes pool the assets contributed by the various enterprises that are not under common control, and use the assets to provide benefits to employees of more than one enterprise on the basis that contributions and benefit levels are determined without regard to the identity of the enterprise that employs the employees concerned. The plan is accounted for as a defined-benefit plan under IAS 19 – *Employee Benefits.*

The Company's net obligation in respect of the defined-benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined-benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

3. Significant accounting policies (cont'd)

(p) Employee benefits (cont'd)

Pension (cont'd)

(i) Defined-benefit plan (cont'd)

Remeasurements of the net defined-benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined-benefit liability (asset), taking into account any changes in the net defined-benefit liability (asset) during the period as a result of contirbuitons and benefit payments. Net interest expense and other expenses related to defined-benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined-benefit plan when the settlement occurs.

(ii) *Defined-contribution plan*

The Company's obligation in respect of the defined-contribution plan is limited to the contributions it is required to make under the plan's rules.

The Company's contributions to the defined-contribution pension plan are charged to profit or loss in the year to which they relate.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

(q) Deferred grant income

Grants related to the acquisition of property, plant and equipment are deferred and credited to income on a basis consistent with the amortization of the cost of the asset to which they relate (note 15).

(r) Finance income and expense

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets and foreign currency gains on investments. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

Finance expense comprises interest expense and foreign currency losses on borrowings.

3. Significant accounting policies (cont'd)

(s) New standards, and interpretations of and amendments to existing standards, that are not yet effective

A number of new standards and amendments to standards are effective for annual reporting periods beginning after 1 January 2017; the following are likely to be relevant to the Company. The Company has not early-adopted any of them; accordingly, they have not been applied in preparing these financial statements.

New or amended standards	Summary of the requirements	Possible impact on financial statements
IFRS 9 *Financial Instruments*	IFRS 9, published in July 2017, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. From a classification and measurement perspective, the new standard IFRS 9, includes revised guidance on the reclassification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets- amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the "incurred loss" model of IAS 39 with an "expected credit loss" model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9 when it becomes effective.

3. Significant accounting policies (cont'd)

(s) New standards, and interpretations of and amendments to existing standards, that are not yet effective

IFRS 15 *Revenue from Contracts with Customers*	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15 when it becomes effective.

The following new or amended standards are not expected to have a significant impact on the Company's financial statements:

- IFRS 15 Revenue from Contracts with customers effective date 1 January 2018
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) effective date to be determined
- IFRS 17 Insurance contracts effective 1 January 2021
- IFRIC 23 Uncertainty over Income Tax Treatments effective 1 January 2019
- IFRS 16 Leases effective 1 January 2019
- IFRS 9 Financial Instruments effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and advance Consideration effective 1 January 2018
- Annual improvement to IFRSs 2014-2016 cycle various standards (Amendments to IFRS 1 and IAS 28) effective 1 January 2018
- Transfers of Investment Property (Amendments to IAS 40) effective 1 January 2018
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts (Amendments to IFRS 4) effective 1 January 2018.

4. Financial instruments – fair values and risk management

(a) Accounting classifications and fair values

The following table shows the accounting classifications of financial assets and financial liabilities at their carrying amounts. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

December 31, 2017	Available for sale $	Held to maturity $	Loans and receivables $	Other financial assets/liabilities $	Total $
Financial assets not measured at fair value					
Debt securities (note 6)	-	10,224,456	-	-	10,224,456
Equity securities (note 6)	1,072,700	-	-	-	1,072,700
Short-term investments (note 9)	-	16,567,939	-	-	16,567,939
Trade and other receivables (note 10)	-	-	32,468,026	-	32,468,026
Cash and cash equivalents	-	-	-	1,342,583	1,342,583
Total financial assets	1,072,700	26,792,395	32,468,026	1,342,583	61,675,704
Financial liabilities not measured at fair value					
Borrowings (note 13)	-	-	-	39,502,871	39,502,871
Customers' deposits (note 16)	-	-	-	11,676,971	11,676,971
Trade and other payables (note 18)	-	-	-	18,819,970	18,819,970
Overdraft	-	-	-	890,917	890,917
Total financial liabilities	-	-	-	70,890,729	70,890,729

4. Financial instruments – fair values and risk management (cont'd)

(a) Accounting classifications and fair values (cont'd)

December 31, 2016	Available for sale	Held to maturity	Loans and receivables	Other financial assets/liabilities	Total
Financial assets not measured at fair value					
Debt securities (note 6)	-	11,829,246	-	-	11,829,246
Equity securities (note 6)	1,072,700	-	-	-	1,072,700
Short-term investments (note 9)	-	23,205,372	-	-	23,205,372
Trade and other receivables (note 10)	-	-	30,352,860	-	30,352,860
Cash and cash equivalents	-	-	-	7,712,077	7,712,077
Total financial assets	1,072,700	35,034,618	30,352,860	7,712,077	74,172,255
Financial liabilities not measured at fair value					
Borrowings (note 13)	-	-	-	52,958,787	52,958,787
Customers' deposits (note 16)	-	-	-	11,178,107	11,178,107
Trade and other payables (note 18)	-	-	-	25,172,068	25,172,068
Total financial liabilities	-	-	-	89,308,962	89,308,962

The Company's equity investment in Bank of St. Vincent and the Grenadines are quoted securities classified as available for sale. However, they are carried at cost in the statement of financial position.

4. Financial instruments – fair values and risk management (cont'd)

(b) Measurement of fair values

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The following table presents the Company's financial assets that are measured at fair value at 31 December, 2017:

Financial assets	**Level 1** **$**
Long-term investments	11,297,155
Short-term investments	16,567,939
	27,865,094

4. Financial instruments – fair values and risk management (cont'd)

(b) Measurement of fair values

The following table presents the Company's financial assets that are measured at fair value at 31 December, 2016:

Financial assets	Level 1 $
Long-term investments	12,901,946
Short-term investments	23,205,372
	36,107,318

(c) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of reserves.

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company's audit committee is responsible for monitoring compliance with the Company's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in these functions by internal audit. Internal audit performs both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It arises principally from the Company's receivables from customers and investments in debt securities.

4. Financial instruments – fair values and risk management (cont'd)

(c) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

The Company has policies in place to ensure that sales are made to customers with an appropriate credit rating. Accounts receivable are shown net of provision for impairment for doubtful debts. Cash and short-term investments are held with substantial financial institutions which are regulated, which in management's view, present minimal risk of default.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount	
	2017 **$**	**2016** **$**
Domestic	8,194,325	7,449,076
Commercial	9,218,907	11,580,060
Industrial	903,150	1,005,733
Government	12,903,100	12,445,685
	31,219,482	32,480,554
Provision for impairment of trade receivables	(5,392,625)	(6,405,580)
Trade receivables, net	25,826,857	26,074,974

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Individual Impairment **$**	**Collective Impairments** **$**
Balance as at January 1, 2016	-	6,369,580
Impairment loss recognised	-	36,000
Balance as at December 31, 2016	-	6,405,580
Impairment loss derecognised	-	(1,012,955)
Balance as at December 31, 2017	-	5,392,625

4. Financial instruments – fair values and risk management (cont'd)

(c) Financial risk management (cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ensuring availability of funding through an adequate amount of committed credit facilities.

The management of the Company aims at maintaining flexibility in funding by monitoring budgeting commitments and by keeping committed lines of credit available and by monitoring the timing of its cash flows.

The following are the contractual maturities of financial liabilities, excluding interest payments and excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	1 year $	2-5 years $	More than 5 years $
December 31, 2017					
Bank overdraft	890,917	(890,917)	(890,917)	-	-
Trade and other payables	18,819,970	(18,819,970)	(18,819,970)	-	-
Borrowings	39,502,871	(39,502,871)	(11,432,195)	(24,800,324)	(3,270,352)
Customers' deposits	11,676,971	(11,676,971)	(328,000)	(1,312,000)	(10,036,971)
	70,890,729	(70,890,729)	(31,471,082)	(26,112,324)	(13,307,323)

	Carrying amount $	Contractual cash flows $	1 year $	2-5 years $	More than 5 years $
December 31, 2016					
Trade and other payables	25,172,068	(25,172,068)	(25,172,068)	-	-
Borrowings	52,958,787	(58,808,749)	(15,485,558)	(37,664,390)	(5,658,801)
Customers' deposits	11,178,107	(11,178,107)	(328,000)	(1,312,000)	(9,538,107)
	89,308,962	(95,158,924)	(40,985,626)	(38,976,390)	(15,196,908)

4. Financial instruments – fair values and risk management (cont'd)

(c) Financial risk management (cont'd)

(iv) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, and foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not generally engage in currency hedges, and rather aims to have financial liabilities denominated in local currencies in order to avoid currency risk.

The Company's operations are conducted in Eastern Caribbean dollars (EC), and incurs foreign currency risk on transactions that are denominated in a currency other than the functional currency, the EC dollar. There is no exposure to foreign currency risk in respect of the United States Dollar because the EC Dollar is pegged at EC$2.70 for US$1. However, there is exposure to foreign currency risk affecting the Company's statement of profit or loss resulting from the fluctuations of other currencies. Currently, all assets and liabilities are denominated in Eastern Caribbean dollars. All foreign currency transactions are translated to Eastern Caribbean dollars.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The table below summarizes the Company's exposure to interest rate risks:

	2017 $	2016 $
Fixed-rate instruments		
Financial assets	26,792,395	36,034,618
Financial liabilities	51,179,843	64,136,894

The Company does not account for any fixed-rate financial assets as available-for-sale; therefore, a change in fair value at the reporting date, would have no effect on equity.

5. Property, plant and equipment

	Freehold property $	Generation Plants and Machinery $	Transmission & distribution $	Other $	Total $
Operational assets at cost					
As of January 1, 2016, as restated	70,106,118	220,704,102	185,410,598	19,528,363	495,749,181
Transfers	162,646	676,165	3,578,442	1,549,854	5,967,107
Disposals	-	-	-	(460,705)	(460,705)
As of December 31, 2016	70,268,764	221,380,267	188,989,040	20,617,512	501,255,583
Transfers	364,068	1,355,336	3,085,864	2,571,323	7,376,591
Disposals	-	-	-	(292,935)	(292,935)
As of December 31, 2017	70,632,832	222,735,603	192,074,904	22,895,900	508,339,239
Accumulated depreciation					
As of January 1, 2016, as restated	42,020,254	130,333,300	131,414,984	14,656,683	318,425,221
Charge for the year	1,871,885	10,300,989	6,227,704	1,506,508	19,907,086
Disposals and transfers	-	-	-	(460,705)	(460,705)
Reversal of revaluation amounts	(751,418)	(36,847)	(183,501)	49,435	(922,331)
As of December 31, 2016	43,140,721	140,597,442	137,459,187	15,751,921	336,949,271
Charge for the year	1,880,171	9,894,313	6,119,124	1,796,844	19,690,452
Disposals and transfers	-	-	-	(292,935)	(292,935)
As of December 31, 2017	45,020,892	150,491,755	143,578,311	17,255,830	356,346,788
Net book value					
As of December 31, 2015, as restated	28,085,864	90,370,802	53,995,614	4,871,680	177,323,960
As of December 31, 2016	27,128,043	80,782,825	51,529,853	4,865,591	164,306,312
As of December 31, 2017	25,611,940	72,243,848	48,496,593	5,640,070	151,992,451

5. Property, plant and equipment (cont'd)

	Freehold property $	Generation Plants and Machinery $	Transmission & distribution $	Other $	Total $
Capital work-in-progress					
As of January 1, 2016	91,122	8,590,145	467,998	291,080	9,440,345
Additions	545,328	4,472,227	4,105,034	1,550,750	10,673,339
Transfers	(162,646)	(676,165)	(3,578,445)	(1,549,854)	(5,967,110)
As of December 31, 2016	473,804	12,386,207	994,587	291,976	14,146,574
As of January 1, 2017	473,804	12,386,207	994,587	291,976	14,146,574
Additions	587,595	5,839,982	2,736,095	2,283,126	11,446,798
Transfers	(364,068)	(1,355,335)	(3,085,865)	(2,571,323)	(7,376,591)
As of December 31, 2017	697,331	16,870,854	644,817	3,779	18,216,781
Capital Spares					
As of December 31, 2016	-	3,554,944	2,887,215	-	6,442,159
Additions	-	208,342	1,169,172	-	1,377,514
As of December 31, 2017	-	3,763,286	4,056,387	-	7,819,673
Provision of obsolescence					
As of December 31 , 2016	-	1,267,655	866,586	-	2,134,241
Charges for the year	-	107,247	436,170	-	543,417
As of December 31, 2017	-	1,374,902	1,302,756	-	2,677,658
Net book value					
As of December 31, 2015	28,176,986	98,960,947	54,463,612	5,162,760	186,764,305
As of December 31, 2016 as restated	27,601,847	95,456,321	54,545,069	5,157,567	182,760,804
As of December 31, 2017	26,309,271	91,503,086	51,895,041	5,643,849	175,351,247

Self-insurance fund

The Company has created a self insurance fund for the coverage of its transmission and distribution assets. The transmission and distribution system which is included in property, plant and equipment has a carrying value of $51,895,041 at December 31, 2017 (2016: $54,545,069). The value of the fund was $24,389,199 at December 31, 2017 (2016: $27,000,000).

The fund is held as a reserve, and has been created by way of appropriations from retained earnings, but is not funded by designated assets.

6. Long-term investments

	2017 $	2016 $
20,000 Eastern Caribbean Securities Exchange Limited Class B Shares	200,000	200,000
150,000 Bank of St. Vincent and the Grenadines Limited Shares	872,700	872,700
Total equity securities	1,072,700	1,072,700
4.5% Government of St. Vincent and the Grenadines bonds, due January 31, 2023	10,224,456	11,829,246
	11,297,156	12,901,946
Less: current portion	(1,677,818)	(1,604,790)
	9,619,338	11,297,156

The Board of Directors of Bank of St. Vincent and the Grenadines Limited declared a dividend in which Shareholders' on record as at February 3, 2017 received one (1) new share for every two (2) shares held. As a result, the Company received a stock dividend of fifty thousand (50,000) shares on February 6, 2017. The Company's shareholding in the Bank as at December 31, 2017 is 150,000 (2016:100,000) shares. The current market price of the Bank's share is EC$8 (2016: EC$11.37).

7. Retirement benefit obligation

The Company provides retirement benefits, under a regional multi-employer defined-benefit plan and a defined-contribution plan, for substantially all of its employees. The Company exited the defined benefit plan effective December 31, 2017 (note 27).

(a) Defined benefit plan

The Company contributes to the regional Eastern Caribbean Utilities Pension Scheme (formerly CDC Caribbean Pension Plan) which is administered by Sagicor Life Inc.

The most recent actuarial valuation of the plan was as at December 31, 2017, and was completed by an independent actuary on February 5, 2018. The plan was valued using the "Projected Unit Credit" method of valuation.

The section of the plan which relates to the Company was valued as at December 31, 2017 by an independent actuary.

(i) The principal actuarial assumptions used in determining the present value of plan obligations were as follows:

	2017 %	2016 %
Discount rate at end of year	7.50	7.50
Future promotional salary increases	2.00	2.00
Future inflationary salary increases first one or two years	1.50	1.50
Future inflationary salary increases there after	4.50	4.50
Expected rate of future pension increases	3.00	3.00

7. Retirement benefit obligation (cont'd)

(a) Defined benefit plan (cont'd)

(ii) The amounts recognised in the statement of financial position at December 31 are determined as follows:

	2017 $	2016 $
Present value of defined benefit obligation	-	(9,116,667)
Fair value of plan assets	-	8,514,771
Defined benefit obligation	-	(601,896)

(iii) The movements in the defined pension benefit obligation for the year ended December 31 were as follows:

	2017 $	2016 $
Defined benefit obligation as at January 1	(9,116,667)	(8,713,856)
Interest costs	(690,927)	(651,632)
Current service costs	(244,092)	(230,711)
Benefits paid	296,854	512,260
Actuarial gain (loss)	3,383	(32,728)
Plan settlement	9,751,449	-
Defined benefit obligation as at December 31	-	(9,116,667)

(iv) The movements in the plan assets for the year ended December 31 were as follows:

	2017 $	2016 $
Fair value of plan assets as at January 1	8,514,771	8,528,099
Actual return on plan assets	497,171	208,930
Contributions	1,202,511	290,002
Benefits paid	(296,854)	(512,260)
Plan settlement	(9,917,599)	-
Fair value of plan assets as at December 31	-	8,514,771

(v) Return on plan assets

The actual return on plan assets for the year ended December 31 was as follows:

	2017 $	2016 $
Return on plan assets	497,171	208,930

ST. VINCENT ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
December 31, 2017
(Expressed in Eastern Caribbean Dollars)

7. Retirement benefit obligation (cont'd)

(a) Defined benefit plan (cont'd)

(vi) The amounts recognised in the Statement of Comprehensive Income for the year ended December 31 were as follows:

	2017 $	2016 $
Current service costs	244,092	230,711
Net interest on defined benefit liability:		
Interest cost	690,927	651,632
Expected return on plan assets	(672,569)	(631,272)
Loss on settlement	166,144	-
Net period pension cost (note 7(a) (viii))	428,594	251,071

(vii) Re-measurement recognized in Other Comprehensive Income:

	2017 $	2016 $
Experience losses	172,021	455,070
Deferred tax (note 21)	192,607	(133,165)
Experience losses, net of tax, being total amount recognized in Other Comprehensive Income	364,628	321,905

(viii) Reconciliation of opening and closing defined benefit liability:

	2017 $	2016 $
Defined benefit assets/(liability) as of January 1	(601,896)	(185,757)
Net pension costs recognised in statement of comprehensive income (note 7(a) (vi))	(428,594)	(251,071)
Contributions paid	1,202,511	290,002
Re-measurements recognized in Other Comprehensive Income, before tax (note 7(a) (vii))	(172,021)	(455,070)
Defined benefit liability as of December 31	-	(601,896)

(ix) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the present value of the defined benefit obligation as shown below:

Scenario	**Benefit Obligation** 2017 $	2016 $
Valuation results	9,751,449	9,116,667
Discount rate -1%	(11,301,826)	(10,607,506)
Discount rate +1%	8,502,191	7,978,584
Salary increases - 0.5%	(9,603,622)	(8,963,406)
Salary increases + 0.5%	9,904,676	9,276,007
Mortality assuming 1yr longer	9,886,867	9,305,912

7. Retirement benefit obligation (cont'd)

(b) Defined contribution plan

The Company has contributed to a defined contribution plan for all its other employees which is administered by Colonial Life Insurance Company (Trinidad) Limited. The most recent actuarial valuation carried out on January 1, 2000 revealed a surplus of assets. The Company's contributions to the plan for the period amounted to $884,310 (2016: $ 856,276) and are expensed as incurred.

8. Inventories

	2017 $	As Restated 2016 $
Uniforms	414,905	355,144
Fuel, lubricants and chemicals	3,419,065	1,735,023
Stationery	183,495	109,124
	4,017,465	2,199,291
Less: provision for obsolescence	(84,321)	(243,266)
	3,933,144	1,956,025

During the year, the Company reclassified spare parts, net $5,142,015 (2016: $4,307,918) previously classified as Inventories to Property, Plant and Equipment to comply with IAS 16 *Property, Plant and Equipment*. The reclassification resulted in an increase in Property, Plant and Equipment and a reduction in Inventories on the Statement of Financial Position. There was no effect on the Statement of Comprehensive Income.

9. Short-term investments

Short term investments $16,567,939 (2016: $23,205,372) comprise interest bearing certificates of deposit with maturities of less than one year held with the Bank of St. Vincent and the Grenadines. The deposits bear interest at rates ranging from 2.0% to 2.5% annually (2016: 3.5% to 4.0%).

10. Trade and other receivables

	2017 $	2016 $
Current		
Trade receivables	31,219,482	32,480,554
Less: provision for impairment of trade receivables	(5,392,625)	(6,405,580)
Trade receivables, net	25,826,857	26,074,974
Other receivables	6,641,169	4,277,886
	32,468,026	30,352,860

11. Share capital

Authorized – Unlimited number of ordinary shares without nominal or par value.

	2017 $	2016 $
Issued and fully paid – 5,809,182 ordinary shares without nominal or par value	29,045,910	29,045,910

12. Retirement benefit reserve

During the year, movement on the retirement benefit reserve was as follows:

	2017 $	2016 $
At beginning of year	(684,320)	(362,415)
Re-measurement of Defined Benefit Pension plan, net of tax	(364,628)	(321,905)
Reclassified to retained earnings on termination of plan	1,048,948	-
At end of year	-	(684,320)

13. Borrowings

	Note	2017 $	2016 $
Caribbean Development Bank Funding			
Government of St. Vincent and the Grenadines- First Power Project:			
International Development Association	13(a)	654,966	709,591
Third Power Project:			
Lowmans Bay Project	13(b)	12,394,500	16,898,856
Government of St. Vincent and the Grenadines			
United States Agency for International Development	13(c)	6,599,477	7,320,372
European Investment Bank - Lowmans Bay	13(d)	7,294,809	9,377,061
PDV Caribé	13(e)	12,559,119	18,652,907
Total long-term borrowings		39,502,871	52,958,787
Less: current portion		(11,432,195)	(13,641,268)
		28,070,676	39,317,519

(a) Government of St. Vincent and the Grenadines (Caribbean Development Bank (CDB) Funding - First Power Project)

(i) 0.75% loan obtained through the International Development Association (IDA).

This loan is for US$664,210 and is repayable in 80 semi-annual installments of US$10,075 plus interest, with the final installment due October 15, 2029.

13. Borrowings (cont'd)

(a) Government of St. Vincent and the Grenadines (Caribbean Development Bank (CDB) Funding - First Power Project) (cont'd)

The above loan was made by the CDB to the Government of St. Vincent and the Grenadines for on-lending by the Government to the Company. The loan agreement provides that:

(1) all payments of principal and interest shall be made by the Company to CDB and such payments shall be deemed payments by the Company to the Government.

(2) the loans are to be secured by execution of a debenture giving a first floating charge over the undertaking and its uncalled capital.

(b) Caribbean Development Bank (CDB) Funding - Third Power Project

Loan of US$18,311,000, obtained through the ordinary capital resources of CDB, repayable in 44 approximately equal and consecutive quarterly installments of US$415,777, plus interest at a rate of 3.80% per annum on the principal amount. The Company shall pay a commitment charge of 1% per annum on the amount of the loan unwithdrawn. The loan is secured by the guarantee of the Government of St. Vincent and the Grenadines and is due to mature in July 2020.

The loan agreement provides for a grace period of 4 years following August 2005, the date of first draw-down on the loan. Other covenants stipulated in the agreement provide that:

(i) the Company's accounts receivable shall not exceed sixty (60) days sales;

(ii) the Company maintains a debt service coverage ratio of at least 1.5 times its total debt service;

(iii) no further expansion shall take place at Cane Hall site;

(iv) the Company continues to set aside an amount of at least one million Eastern Caribbean dollars ($1,000,000) annually for the purposes of its self-insurance plan in respect of its transmission and distribution assets;

(v) the Company to submit to the Bank by March 31, in each year, a three year forecast of its financial performance;

(vi) the Company should not pay dividends during the implementation of the project or in any year thereafter during which it fails to maintain a debt service ratio of at least 1.5 times;

(vii) the Company should not sell, lease or transfer any of its assets which could materially and adversely affect its capacity to carry on its business;

(viii) the Company should not make any loans to any of its directors or shareholders or to any other person for any purpose whatsoever; and

(ix) the Company should not incur any new debt unless the debt service ratio coverage of 1.5 times is maintained.

(c) Government of St. Vincent and the Grenadines

United States Agency for International Development Loan for US$7,500,000, repayable in 60 semi-annual installments of US$122,951 and a final installment of US$122,940 due on June 30, 2025, plus interest at 4% to June 30, 2007, and at 5% thereafter. The loan agreement provides that the Company is required to earn an annual rate of return of 8% on the current net asset value of the Company's operational assets.

13. Borrowings (cont'd)

(d) European Investment Bank - Lowmans Bay

Loan of EUR 8,300,000, to be disbursed up to US$10,000,000, repayable in 22 semi-annual installments of US$454,545, plus interest at a fixed rate of 5.505%, due to mature in May 2020.

The loan agreement provides for a grace period of 4 years from June 2005, the date of disbursement of the first tranche. This loan is secured by the guarantee of the Government of St. Vincent and the Grenadines. Financial covenants stipulate that the Company shall:

(i) maintain a debt service ratio of at least 1.5; and

(ii) not declare any dividends or make any other distributions to any shareholder, unless debt service ratio is more than 1.5.

(e) PDV Caribé

Loan of US$12,000,000, for a period of ten (10) years, including a two (2) year grace period from October 3, 2010 the date of the first drawdown before principal and interest payments begin. The loan is repayable in equal, or approximately equal, and consecutive semi-annual installments, plus interest at a fixed rate of 4.5%, commencing from October 2012, the first due date after the expiry of the two (2) year grace period.

14. Consumers' contributions to line extensions

	Government $	Other consumers $	2017 Total $
Contributions			
At beginning of year	4,363,153	20,554,761	24,917,914
Received during the year	-	475,669	475,669
Refunds	-	(9,581)	(9,581)
At end of year	4,363,153	21,020,849	25,384,002
Amortization			
At beginning of year	4,363,153	18,210,437	22,573,590
Amortization for the year	-	1,254,935	1,254,935
At end of year	4,363,153	19,465,372	23,828,525
Carrying amounts			
As of December 31, 2016	-	2,344,324	2,344,324
As of December 31, 2017	-	1,555,477	1,555,477

15. Deferred grant income

	2017 $	2016 $
Agence Française de Development Group Grant	130,160	138,468
Amortization	(7,810)	(8,308)
Unamortized balance	122,350	130,160

16. Consumers' deposits

	2017 $	2016 $
Deposits		
Beginning of year	6,913,592	6,711,497
Received during the year	444,387	399,055
Refunds	(226,867)	(196,960)
End of year	7,131,112	6,913,592
Interest		
Beginning of year	4,264,515	3,960,570
Expense for the year	548,482	558,153
Paid during the year	(267,138)	(254,208)
End of year	4,545,859	4,264,515
Total	11,676,971	11,178,107

17. Deferred tax liability

Deferred tax liability is calculated in full on temporary differences using a tax rate of 32% (2016: 32%). The movement on the deferred tax liability account is as follows:-

	2017 $	2016 $
At beginning of year	29,123,412	35,530,013
Recognised in profit or loss	2,887,280	(6,273,436)
Recognised in Other Comprehensive Income	192,607	(133,165)
At end of year	32,203,299	29,123,412

Deferred tax liability is attributable to the following:-

	2017 $	2016 $
Property, plant and equipment	32,464,770	29,995,158
Bad debt provision	(1,725,640)	(2,049,786)
Provision for obsolescence	(883,833)	(760,802)
Unbilled sales	2,348,002	2,131,449
Retirement benefit	-	(192,607)
Total liability	32,203,299	29,123,412

18. Trade and other payables

	2017 $	2016 $
Trade payables	8,444,573	9,152,478
Accrued expenses	6,023,440	6,395,934
Other payables	3,318,330	3,377,584
Government of St. Vincent and the Grenadines	1,033,627	6,246,072
	18,819,970	25,172,068

19. Expenses by nature

	2017 $	2016 $
Fuel cost over base price	38,304,473	33,785,565
Fuel at base price	3,823,826	4,035,522
Depreciation	19,690,452	19,907,086
Repairs and maintenance	8,770,465	11,438,571
Employee benefit expense (note 24)	17,385,255	16,803,545
Other operating expenses	9,335,031	8,115,244
Bad debts	6,134,112	30,000
Amortization of consumers' contributions to line extensions	(1,254,935)	(1,232,787)
	102,188,679	92,882,746

20. Other gains, net

	2017 $	2016 $
Gain on disposal of property, plant and equipment	125,202	165,900
Foreign exchange (loss)/gain	(11,352)	13,598
	113,850	179,498

21. Income tax expense

Income tax expense comprises:-

	2017 $	2016 $
Current	3,297,742	4,605,455
Prior periods	433,504	-
Deferred	2,887,280	(6,273,436)
	6,618,526	(1,667,981)

21. Taxation (cont'd)

Reconciliation of effective tax rate:	2017 %	2017 $	2016 %	2016 $
Profit before taxation		6,385,660		10,693,235
Income tax using applicable corporation tax rate	32.00	2,043,411	32.00	3,421,835
Non-deductible expenses (net)	79.61	5,083,979	49.64	5,307,623
Tax incentives	(57.86)	(3,695,214)	(38.69)	(4,136,461)
Change in temporary differences	43.11	2,752,846	(58.55)	(6,260,978)
Under provision – prior years	6.79	433,504	-	-
	103.65	6,618,526	(15.60)	(1,667,981)

Deferred tax on each component of other comprehensive income is as follows:

	2017 $			2016 $		
	Before tax	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Re-measurement of defined benefit pension plan	172,021	192,607	364,628	(455,070)	133,165	(321,905)

22. Earnings per share

Earnings per share is calculated upon net loss/profit for the year of $232,866 (2016: $12,361,216) and 5,809,182 (2016: 5,809,182) average issued and outstanding ordinary shares.

23. Definition of related party

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

23. Related parties (cont'd)

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the Company.

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company.

(c) Related party transactions

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(d) Transactions with key management personnel

(i) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;

(ii) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;

(iii) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;

(iv) termination benefits.

23. Related parties (cont'd)

Transactions with related parties during the year were as follows:

	2017 $	2016 $
Expenses		
Management compensation	1,600,294	1,719,924
Directors' fees and expenses	189,320	176,196
Revenue		
Government of St. Vincent and the Grenadines and its corporations	13,427,804	13,922,591

The Government of St. Vincent and the Grenadines receives a 10% discount on tariff sales for all accounts other than street lighting.

Balances arising from supply of services at year end and included in trade and other receivables were as follows:

	2017 $	2016 $
Government of St. Vincent and the Grenadines	12,903,100	12,445,685

Other balances with related parties were as follows as at December 31

	2017 $	2016 $
Investment		
Government of St. Vincent and the Grenadines	10,224,456	11,829,246
Other receivable		
Government of St. Vincent and the Grenadines	104,037	104,037
Other payables		
Government of St. Vincent and the Grenadines	1,033,627	6,246,072
Long-term borrowings		
Loans guaranteed by the Government of St. Vincent and the Grenadines	19,689,309	26,275,917

24. Employee benefit expense

	2017 $	2016 $
Salaries and wages	15,086,714	14,753,425
National insurance contributions	618,619	633,466
Medical insurance contributions	367,019	351,994
Pension expense	1,312,903	1,064,660
	17,385,255	16,803,545
Number of employees at the reporting date	309	319

25. Capital Commitments

As of December 31, 2017, the directors approved capital expenditure totaling $20.77 million (2016:$28.48 million).

26. Contingent liabilities

Interest at the rate of 18% is charged on amounts past due to PDVSA for the purchase of petroleum products. As at November 30, 2014, accrued interest amounting to $5,092,867 has been accrued by PDVSA on the outstanding balance. Included in this amount is $3,891,027 in respect of LPG imports which were not the responsibility of the Company.

Consequently, the Company is not admitting liability and is disputing any claims for the above amounts. If however, the resolution of the dispute does not go in the Company's favor, the liability will be recorded in the period in which the dispute is resolved.

27. Subsequent events

(i) Defined contribution pension plan

At a special meeting held on May 26, 2017, the shareholder of the Company approved a plan to utilize $8,300,000 from the self-insurance fund (note 5) to pay participants in the defined contribution pension plan held with Colonial Life Insurance Company (Trinidad) Limited which is currently under Judicial Management. During the year, $2,610,801 was appropriated to fund the defined contribution plan. The value of the fund was $24,389,199 at December 31, 2017 (2016: $27,000,000).

(ii) Defined benefit pension plan

Subsequent to the year end, it was decided that the Company would exit as a participating employer from the CDC Caribbean Pension Plan on December 31, 2017. The Company will fund the full liability and affected employees will be migrated to a Defined Contribution Plan.

ST. VINCENT ELECTRICITY SERVICES LIMITED

ADDITIONAL INFORMATION

TO THE

FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative figures as at and for year the ended December 31, 2016)

ADDITIONAL INFORMATION

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ADDITIONAL COMMENTS OF INDEPENDENT AUDITORS

To the Shareholder
St. Vincent Electricity Services Limited
Kingstown

The accompanying schedules I and II are presented as supplementary information only. In this respect, they do not form part of the financial statements of St. Vincent Electricity Services Limited for the year ended December 31, 2017 and hence are excluded from the opinion expressed in our report dated July 27, 2018 to the shareholder on such financial statements.

KPMG

Chartered Accountants
Kingstown, St. Vincent and the Grenadines
July 27, 2018

ST. VINCENT ELECTRICITY SERVICES LIMITED
Financial Statistics
As at and for the year ended December 31, 2017
(Expressed in Eastern Caribbean Dollars)

	2017 XCD 000's	2016 XCD 000's	2015 XCD 000's	2014 XCD 000's	2013 XCD 000's	2012 XCD 000's	2011 XCD 000's
SUMMARISED BALANCE SHEET		**Restated**	**Restated**	**Restated**			
Share capital	29,046	29,046	29,046	29,046	29,046	29,046	29,046
Retained earnings	83,790	82,461	86,602	78,347	76,568	70,856	71,531
Other reserves	24,390	26,316	26,638	27,056	84,092	99,370	95,836
Non –current liabilities	73,505	82,565	100,989	113,981	87,379	94,106	87,825
Deferred income	122	130	138	147	156	165	175
	210,853	220,518	243,413	248,577	277,241	293,543	284,413
Fixed assets (Net)	175,351	182,761	186,764	197,105	219,635	229,078	242,736
Long-term investments	9,619	11,297	12,902	14,437	15,189	200	200
Retirement benefit asset	-	-	-	362	-	273	662
Current assets	57,026	65,419	76,794	76,858	77,071	94,712	87,291
Current liabilities	(31,143)	(38,959)	(33,047)	(40,185)	(34,654)	(47,739)	(46,476)
	210,853	220,518	243,413	248,577	277,241	276,524	284,413
SUMMARISED RESULTS							
Operating Revenues							
Electricity sales	69,493	70,479	67,456	65,021	65,334	65,630	64,889
Fuel surcharge	38,221	33,114	42,362	67,851	68,760	67,715	58,921
Other	1,189	1,169	1,632	2,781	2,650	1,809	2,645
Total	108,903	104,762	111,450	135,653	136,744	135,154	126,455
Operating Expenses							
Fuel cost covered by surcharge	38,304	33,786	41,958	67,737	69,100	67,325	58,694
Renewable energy purchased	235	189	137	206	-	-	-
Operating and maintenance							
- Hydro	3,848	3,676	4,120	1,886	2,074	2,252	2,109
- Diesel	10,133	10,986	6,141	15,705	15,487	15,664	14,478
Transmission & distribution	11,529	11,186	10,950	4,394	3,766	4,304	4,209
Administration & other	18,450	13,153	13,094	20,618	14,104	13,921	17,071
Depreciation	19,690	19,907	20,947	20,263	20,669	20,787	21,466
Total	102,189	92,883	97,347	130,809	125,200	124,253	118,027
Operating income	6,714	11,878	14,103	4,844	11,544	10,901	8,428
Interest and other cost	(329)	(1,185)	(2,895)	(3,246)	(4,788)	(4,248)	(4,067)
Net profit before tax	6,385	10,693	11,208	1,598	6,756	6,653	4,361
Income tax expense	(6,618)	1,668	(2,953)	(1,116)	(1,039)	(3,009)	(2,541)
Net profit after tax	(233)	12,361	8,255	482	5,717	3,644	1,820
Other comprehensive income	(364)	(322)	(419)	-	182	-	-
Appraisal element in depreciation/reversed	-	(1,157)	(506)	961	1,081	1,206	1,685
Retained earnings brought forward	82,461	86,602	78,347	76,568	70,865	71,531	74,428
Impact of change in policy	-	2,404	925	3,240	-	-	-
Transfer from retirement benefit reserve	(684)	-	-	-	-	-	-
Deferred tax on retirement benefit reserve	-	-	-	-	201	388	374
Final/Interim dividend	-	(17,427)	-	(2,904)	-	(2,904)	(3,776)
Transfer from (to) self-insurance fund	2,610	-	-	-	-	(3,000)	(3,000)
Retained earnings carried forward	83,790	82,461	86,602	78,347	78,046	70,865	71,531

ST. VINCENT ELECTRICITY SERVICES LIMITED
Financial Statistics
As at and for the year ended December 31, 2017
(Expressed in Eastern Caribbean Dollars)

	2017	2016	2015	2014	2013	2012
GENERATING PLANT (KW)						
Site Rated Capacity (KW)						
St. Vincent	36,810	41,413	41,413	41,413	42,675	42,675
Bequia	4,845	4,145	4,145	4,145	4,145	4,145
Union Island	1,838	1,530	1,530	1,170	1,170	1,420
Canouan	4,040	4,040	4,040	4,040	4,040	3,120
Mayreau	302	284	284	284	180	180
Firm Capacity (KW)						
St. Vincent	29,214	32,713	32,713	33,357	34,493	34,493
Bequia	3,209	2,090	2,090	2,579	2,579	2,579
Union Island	1,294	770	770	693	693	828
Canouan	2,484	1,560	1,560	2,484	2,484	1,728
Mayreau	175	120	120	162	108	108
Peak Demand (KW)- (All Time)						
St. Vincent	21,692	21,692	21,424	21,120	21,120	21,120
Bequia	1,574	1,570	1,570	1,570	1,570	1,570
Union Island	580	533	533	533	533	533
Canouan	810	810	810	810	810	768
Mayreau	79	79	79	79	65	56
PRODUCTION AND SALES						
Gross Generation (kWhs)						
Hydro	20,327,820	15,932,020	16,757,832	11,858,670	22,976,040	24,688,510
Solar	816,242	809,941	866,064	343,256	148,180	-
Diesel	128,932,762	136,231,070	128,625,162	129,469,267	118,905,211	118,236,374
	150,076,824	152,973,031	146,249,058	141,671,193	142,029,431	142,924,884
Own Use	(4,719,722)	(4,728,124)	(4,529,913)	(4,667,575)	(4,859,493)	(4,933,000)
Net Generation	145,357,102	148,244,907	141,719,145	137,003,618	137,169,938	137,991,884
Renewable energy purchased	594,193	436,004	302,079	159,568	133,501	-
Net energy available for sale	145,951,295	148,680,911	142,021,224	137,163,186	137,303,439	137,991,884
Sales (kWhs)						
Domestic	68,483,434	67,492,978	63,506,236	60,397,932	60,462,944	60,698,402
Commercial	57,072,135	60,008,499	58,601,969	56,749,650	57,565,123	58,160,981
Industrial	7,277,376	7,385,600	7,394,177	7,069,590	6,544,460	6,541,938
Street lighting	3,098,274	3,232,336	3,182,880	3,175,998	3,173,238	3,165,738
Total Sales	135,931,219	138,119,413	132,685,262	127,393,170	127,745,765	128,567,059
Loss (% of Net Generation)	6.86%	7.10%	6.57%	7.12%	6.98%	6.68%
Number of Consumers at year end						
Domestic	39,569	39,012	38,248	37,531	36,864	36,292
Commercial	4,536	4,486	4,479	4,431	4,438	4,395
Industrial	23	23	22	21	21	20
Street lighting	46	46	47	47	47	47
	44,174	43,567	42,796	42,030	41,370	40,754