



ST. VINCENT ELECTRICITY SERVICES LIMITED

FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022

ST. VINCENT ELECTRICITY SERVICES LIMITED

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CORPORATE INFORMATION

Registered Office

Kingstown
St. Vincent and the Grenadines

Directors

Chairman- Ms. René M. Baptiste, C.M.G., LLB (Hons.), L.E.C.
Mr. Maurice L. Edwards, BSc, CFA, OBE
Mr. Brian A.C. George, B. Eng. (Hons.), MSc, PMP, MRICS
Mrs. Yvette M. Pompey, BSc, MSc
Mr. E. Tyrone Burke, BA, MA
Mr. Patrick C. Da Silva
Mr. Osborne D. Browne
Mr. Vernon E. McDowall

Company Secretary

Ms. Rhodsha A. Oliver, LLB (Hons.), L.E.C., LLM

Chief Executive Officer

Vaughn Lewis - PhD

Solicitors

Saunders & Huggins

Bankers

Republic Bank Limited (Formerly: The Bank of Nova Scotia)
CIBC First Caribbean International Bank (Barbados) Limited
Bank of St. Vincent and the Grenadines Limited
1st National Bank of St. Lucia Limited (St. Vincent Branch) (Formerly: RBTT Bank (Caribbean) Ltd)

Auditor

BDO Eastern Caribbean
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Shareholder
St. Vincent Electricity Services Limited
Paul's Ave, Kingstown
St. Vincent and the Grenadines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St. Vincent Electricity Services Limited ("the Company"), set out on pages 5 to 42, which comprise the statement of financial position as at December 31, 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other information included in the Company's 2022 Annual Report

Management is responsible for the information included in the Company's 2022 Annual Report, other than the financial statements and our auditor's report thereon. The Company's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Shareholder
St. Vincent Electricity Services Limited
Paul's Ave, Kingstown
St. Vincent and the Grenadines

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.
- 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Shareholder
St. Vincent Electricity Services Limited
Paul's Ave, Kingstown
St. Vincent and the Grenadines

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A handwritten signature in blue ink that reads "BDO".

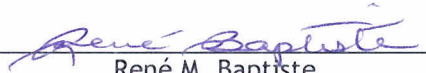
BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
September 4, 2023

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Financial Position
As of December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Note	2022 \$	2021 \$
Assets			
Property, plant and equipment	5	147,853,967	154,638,713
Long-term investments	6	1,832,646	3,008,152
Total non-current assets		149,686,613	157,646,865
Inventories	7	5,571,183	3,652,576
Current portion of long-term investments	6	1,179,167	2,147,567
Short-term investments	8	13,430,373	18,128,001
Trade and other receivables	9	46,633,761	40,468,121
Income tax refundable		-	1,746,902
Prepayments		1,108,714	2,969,737
Cash at bank		17,273,283	4,856,740
Total current assets		85,196,481	73,969,644
Total assets		234,883,094	231,616,509
Equity			
Share capital	10	29,045,910	29,045,910
Self-insurance fund	5	25,361,392	24,361,392
Retained earnings		108,018,291	102,877,186
Total equity		162,425,593	156,284,488
Liabilities			
Borrowings	11	13,223,523	16,158,481
Consumers' contributions to line extensions	12	1,434,886	1,123,191
Deferred contribution to capital assets	13	8,749,271	9,389,461
Consumers' deposits	14	11,426,515	11,258,090
Deferred revenue		1,222,194	1,183,882
Deferred tax liability	15	15,369,165	16,412,167
Total non-current liabilities		51,425,554	55,525,272
Current portion of borrowings	11	2,934,959	3,632,435
Income tax payable		620,322	-
Trade and other payables	16	17,476,666	16,174,314
Total current liabilities		21,031,947	19,806,749
Total liabilities		72,457,501	75,332,021
Total equity and liabilities		234,883,094	231,616,509

The notes on pages 10 to 42 are an integral part of these financial statements.

APPROVED BY THE BOARD OF DIRECTORS:


René M. Baptiste
Director


Maurice L. Edwards
Director

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Note	2022 \$	2021 \$
Revenues			
Energy sales		72,328,769	67,549,408
Fuel surcharge recovered		82,931,004	48,457,297
Other revenue		1,016,759	1,215,571
		<u>156,276,532</u>	<u>117,222,276</u>
Operating expenses			
Diesel generation		28,051,070	28,409,985
Hydro generation		3,318,588	3,211,123
Renewable energy purchased		1,388,475	1,220,126
Transmission and distribution		13,066,316	12,586,631
Fuel surcharge		83,441,142	48,516,080
Administrative expenses		18,755,068	22,324,101
	17	<u>148,020,659</u>	<u>116,268,046</u>
Operating profit		8,255,873	954,230
Other gains (losses), net	18	9,920	202,757
Profit before net finance costs and taxation		<u>8,265,793</u>	<u>1,156,987</u>
Finance income		430,849	556,331
Finance costs		(1,231,315)	(913,375)
Net finance costs		<u>(800,466)</u>	<u>(357,044)</u>
Profit before taxation		7,465,327	799,943
Income tax recovery (expense)	19	(1,324,222)	72,837
Profit for the year being total comprehensive income		<u>6,141,105</u>	<u>872,780</u>
Earnings per share	20	\$1.06	0.15

The notes on pages 10 to 42 are an integral part of these financial statements.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Changes in Equity
For the year ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Note	Share capital \$	Self-insurance fund \$	Retained earnings \$	Total \$
Balance as of December 31, 2021		29,045,910	24,361,392	102,877,186	156,284,488
Total comprehensive income for the year					
Profit for the year		-	-	6,141,105	6,141,105
Total comprehensive income for the year		-	-	6,141,105	6,141,105
Transactions with owners, recorded directly in equity					
Transfer to self-insurance fund		-	1,000,000	(1,000,000)	-
Balance as of December 31, 2022		29,045,910	25,361,392	108,018,291	162,425,593

The notes on pages 10 to 42 are an integral part of these financial statements.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Changes in Equity
For the year ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Note	Share capital \$	Self-insurance fund \$	Retained earnings \$	Total \$
Opening balance January 1, 2021		29,045,910	23,534,681	102,831,117	155,411,708
Total comprehensive income for the year					
Profit for the year		-	-	872,780	872,780
Total comprehensive income for the year		-	-	872,780	872,780
Transactions with owners, recorded directly in equity					
Transfer from self-insurance fund	26	-	(173,289)	173,289	-
Transfer to self-insurance fund		-	1,000,000	(1,000,000)	-
Balance as of December 31, 2021		29,045,910	24,361,392	102,877,186	156,284,488

The notes on pages 10 to 42 are an integral part of these financial statements.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Statement of Cash Flows
For the year ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Profit for the year		6,141,105	872,780
Adjustments for:			
Depreciation	5	18,974,386	17,826,398
Capital spares and inventories	5,7	(1,006,640)	535,530
Impairment losses, net	24	4,171,716	5,817,361
Amortization of consumers' contributions to line extensions	12	(91,589)	(71,693)
Gain on disposal of property, plant, and equipment	18	(10,000)	(196,463)
Finance costs		1,231,315	913,375
Amortization of deferred contribution of capital assets	13	(640,190)	(640,190)
Finance income		(430,849)	(556,331)
Income tax expense (recovery)	19	1,324,222	(72,837)
Operating profit before working capital changes		29,663,476	24,427,930
Change in inventories		(1,710,125)	(1,022,533)
Change in trade and other receivables		(10,389,176)	(11,398,959)
Change in prepayments		1,861,023	(2,340,013)
Change in trade and other payables		1,328,649	3,071,959
Change in deferred revenue		38,312	(47,607)
Cash generated from operations		20,792,159	12,690,777
Interest paid		(1,187,022)	(816,811)
Interest received		479,008	587,187
Income tax paid		-	(1,987,166)
Net cash generated from operating activities		20,084,145	10,473,987
Cash flows from investing activities			
Proceeds from redemption of short-term investment securities		4,975,190	6,180
Acquisition of short-term investment securities		(277,562)	(194,377)
Acquisition of property, plant, and equipment		(11,391,482)	(20,246,491)
Proceeds from disposal of property, plant, and equipment		10,000	196,463
Proceeds from redemption of long-term investment securities		2,147,567	2,060,311
Net cash used in investing activities		(4,536,287)	(18,177,914)
Cash flows from financing activities			
Change in consumers' deposits		97,836	187,019
Repayment of borrowings		(3,632,435)	(3,623,617)
Proceeds from long-term borrowings		-	7,500,000
Net change in consumers' contributions		403,284	456,518
Net cash (used in) generated from financing activities		(3,131,315)	4,519,920
Net increase (decrease) in cash and cash equivalents		12,416,543	(3,184,007)
Cash and cash equivalents - beginning of year		4,856,740	8,040,747
Cash and cash equivalents - end of year		17,273,283	4,856,740

The notes on pages 10 to 42 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) as issued by the International Accounting Standards Board (IASB).

The financial statements were approved for issue by the Board of Directors on August 31, 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value. The methods used to measure fair value are discussed further in Note 4.

(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(f) - Financial instruments
- Note 3(g) - Property, plant and equipment
- Note 3(o) - Revenue recognition
- Note 4(b) - Measurement of fair values

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.

(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 and other receivables

Trade and other receivables are carried initially at fair value and subsequently measured at amortized cost less a provision for impairment. The provision for impairment of trade and other receivables is established based on lifetime expected credit losses (ECL). The amount of the provision is recognized in profit and loss.

Trade and other receivables, being short-term, are not discounted.

(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.

3. Significant accounting policies (cont'd)

(f) Financial instruments

(i) *Classification*

To determine classification and measurement categories IFRS 9 requires all financial assets, except derivatives, to be assessed based on a combination of the business model for managing the assets and the instrument's contractual cash flow characteristics.

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.

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 less any impairment.

Equity securities

Equity securities are measured at fair value through profit and loss (FVTPL). On initial recognition, these assets are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value.

3. Significant accounting policies (cont'd)

(f) Financial instruments (cont'd)

(iii) *Non-derivative financial assets - measurement (cont'd)*

Debt securities

The Company's investments in debt securities pass the business and cash flow characteristics tests and are therefore measured at amortized costs less any impairment.

(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.

(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 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 ¹ / ₂ % per annum

Depreciation is recognized in profit or loss.

3. Significant accounting policies (cont'd)

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

(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.

(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.

3. Significant accounting policies (cont'd)

(h) Income tax (cont'd)

(ii) *Deferred tax (cont'd)*

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.

(i) Impairment

(i) *Non-derivative financial assets*

The company uses the forward looking expected credit loss method ("ECL") in its impairment assessment of its financial assets.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL) unless there has been no significant increase in credit risk since origination in which case, the allowance is based on the 12 months expected credit loss.

The Company's financial assets include accounts receivable which are short term in nature. As is permitted by IFRS 9, the Company has voluntarily elected to select an accounting policy which recognizes full lifetime expected credit losses. A practical expedient method, in the form of a provision matrix, has been applied for trade receivables based on customer categories, historical credit loss experiences and future economic expectations. The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECL's is a significant estimate. The amount of ECL's is sensitive to change in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecasted conditions may not be representative of actual customer defaults in the future. Information about the Company's receivables is disclosed in note 9.

The Company's financial assets measured at mortised cost under IFRS 9 mainly comprise Government bonds which are medium term in nature. Given that there have not been significant increases in related credit risk, the allowance assessment for financial assets measured at amortized cost and other receivables has been based on 12 months expected credit losses. An ECL probabilistic approach has been used based on:

- a) An unbiased and probability-weighted amount that is determined by evaluating ranges of possible outcomes;
- b) The time value of money; and
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

3. Significant accounting policies (cont'd)

(i) Impairment (cont'd)

(i) *Non-derivative financial assets (cont'd)*

The key elements of the ECL calculations are outlined below:

- a) Probability of Default: This measures the instances of default over a period divided by the number of payments expected at the beginning of a period.
- b) Loss Given Default: This represents amounts never collected or amounts written off once a default event occurs
- c) Exposure at Default: This represents the outstanding amounts collectible at default.

Forward looking information:

In its ECL model the Company relied on a range of forward-looking information as economic inputs, such as:

- GDP growth
- Inflation
- Unemployment rates
- Central government debt

(ii) *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.

3. Significant accounting policies (cont'd)

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting date. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(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 profit and loss and other 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 2% 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

3. Significant accounting policies (cont'd)

(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.

(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

(i) *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.

(ii) *Pension*

The Company provides retirement benefits, under a defined-contribution plan, for substantially all of its employees. The pension plan is funded by payments from employees and the Company at rates as provided for in the plan's rules.

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.

(iii) *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.

3. Significant accounting policies (cont'd)

(q) Deferred contribution to capital assets

Deferred contribution to capital assets is recognised based on the cost of property, plant and equipment received.

Amortisation of the contributed asset is recognized as income in profit or loss over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

(r) Finance income and expense

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of financial assets at FVTPL 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.

(s) New standards, amendments and interpretations of existing standards

(i) New standards, amendments and interpretations effective in the current year

A number of new standards are effective from January 1, 2022 but they did not have a material effect on the financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Except for the change below, the Company has consistently applied the accounting policies set out in note 3 to all periods presented in the financial statements.

- **Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).** IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:
 - The incremental costs of fulfilling that contract- e.g. direct labour and materials; and an allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.
- **Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)**-The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

3. Significant accounting policies (cont'd)

(s) New standards, amendments and interpretations of existing standards (cont'd)

(i) *New standards, amendments and interpretations effective in the current year (cont'd)*

- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)
 - IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
 - IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
 - IAS 41 Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flow when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.
- IFRS 3 Business Combination - Reference to the Conceptual Framework. The amendments are as follows:
 - Update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework,
 - Add to IFRS 3 a requirement that, for transactions and other events within the scope of the IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination, and;
 - Add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

These amendments had no impact on the year-end financial statements.

3. Significant accounting policies (cont'd)

(s) New standards, amendments and interpretations of existing standards (cont'd)

(ii) *New standards, amendments and interpretations not yet effective*

Relevant new and amended IFRS which are not yet effective for the year ended December 31, 2022 and have not been applied in preparing the financial statements are summarized below:

Effective for annual periods beginning on or after January 1, 2023:

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*. The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
- *IFRS 17 Insurance Contracts*. IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.
- *Definition of Accounting Estimates (Amendments to IAS 8)*. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.
- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. An amendment was made to defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.

3. Significant accounting policies (cont'd)

(s) New standards, amendments and interpretations of existing standards (cont'd)

(ii) *New standards, amendments and interpretations not yet effective (cont'd)*

Effective for annual periods beginning on or after January 1, 2024:

- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)* with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
- *Non-current Liabilities with Covenants (Amendments to IAS 1)* to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Under prevailing circumstances, the adoption of the foregoing new and amended IFRS is not expected to have any material effect on the financial statements of the Company.

4. Financial instruments - fair values and risk management

(a) Accounting classifications

The following table shows the accounting classifications of financial assets and financial liabilities at fair value through profit or loss and amortised cost.

December 31, 2022	FVTPL \$	Amortized Cost \$	Total \$
Financial assets			
Debt securities (note 6)	-	1,461,813	1,461,813
Equity securities (note 6)	1,550,000	-	1,550,000
Short-term investments (note 8)	-	13,430,373	13,430,373
Trade and other receivables (note 9)	-	46,633,761	46,633,761
Cash and cash equivalents	-	17,273,283	17,273,283
Total financial assets	1,550,000	78,799,230	80,349,230
Financial liabilities			
Borrowings (note 11)	-	16,158,482	16,158,482
Consumers' deposits (note 14)	-	11,426,515	11,426,515
Deferred revenue	-	1,222,194	1,222,194
Trade and other payables (note 16)	-	17,476,666	17,476,666
Total financial liabilities	-	46,283,857	46,283,857

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

(a) Accounting classifications (cont'd)

December 31, 2021	FVTPL \$	Amortized Cost \$	Total \$
Financial assets			
Debt securities (note 6)	-	3,596,718	3,596,718
Equity securities (note 6)	1,559,000	-	1,559,000
Short-term investments (note 8)	-	18,128,001	18,128,001
Trade and other receivables (note 9)	-	40,468,121	40,468,121
Cash and cash equivalents	-	4,856,740	4,856,740
Total financial assets	1,559,000	67,049,580	68,608,580
Financial liabilities			
Borrowings (note 11)	-	19,790,916	19,790,916
Consumers' deposits (note 14)	-	11,258,090	11,258,090
Trade and other payables (note 16)	-	16,174,314	16,174,314
Total financial liabilities	-	47,223,320	47,223,320

(b) Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether the price is directly observable or estimated using another valuation technique. 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.

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

(b) Measurement of fair values (cont'd)

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 that the entity can access at the measurement date.
- 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 December 31, 2022:

Financial assets	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Long-term investments (note 6)	1,350,000	-	1,664,881	3,014,881
Short-term investments (note 8)	-	-	13,430,373	13,430,373
	1,350,000	-	15,095,254	16,445,254

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

(b) Measurement of fair values (cont'd)

The following table presents the Company's financial assets that are measured at fair value at December 31, 2021:

Financial assets	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Long-term investments (note 6)	1,359,000	-	3,796,718	5,155,718
Short-term investments (note 8)	-	-	18,128,001	18,128,001
	1,359,000	-	21,924,719	23,283,719

(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. The Company establishes an allowance for impairment that represents the expected credit losses over the lifetime of trade and other receivables. The collective loss allowance is determined using a practical expedient method in the form of a provision matrix to measure expected credit losses, based on customer categories, historical credit loss experiences and future economic expectations. Trade and other accounts receivable are shown net of the impairment provision for doubtful debts. Cash and short-term investments are held with reputable 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	
	2022 \$	2021 \$
Domestic	13,298,995	15,490,162
Commercial	11,679,357	11,549,886
Industrial	1,536,611	1,159,382
Government	30,961,201	22,767,502
	57,476,164	50,966,932
Provision for impairment of trade receivables	(16,168,140)	(15,807,619)
Trade receivables, net	41,308,024	35,159,313

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

	Trade receivables \$	Other receivables \$
Balance as at January 1, 2021	9,793,988	9,540,975
Impairment loss recognised	6,013,631	173,289
Balance as at December 31, 2021	15,807,619	9,714,264
Impairment loss recognized (derecognized)	360,521	-
Balance as at December 31, 2022	16,168,140	9,714,264

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, 2022					
Trade and other payables	17,476,666	(17,476,666)	(17,476,666)	-	-
Borrowings	16,158,482	(16,158,482)	(2,934,959)	(9,364,412)	(3,859,111)
Consumers' deposits	11,426,515	(11,426,515)	(307,843)	(832,142)	(10,286,530)
	<u>45,061,663</u>	<u>(45,061,663)</u>	<u>(20,719,468)</u>	<u>(10,196,554)</u>	<u>(14,145,641)</u>
	Carrying amount \$	Contractual cash flows \$	1 year \$	2-5 years \$	More than 5 years \$
December 31, 2021					
Trade and other payables	16,174,314	(16,174,314)	(16,174,314)	-	-
Borrowings	19,790,916	(19,790,916)	(3,632,434)	(9,923,332)	(6,235,150)
Consumers' deposits	11,258,090	(11,258,090)	(328,000)	(1,312,000)	(9,618,090)
	<u>47,223,320</u>	<u>(47,223,320)</u>	<u>(20,134,748)</u>	<u>(11,235,332)</u>	<u>(15,853,240)</u>

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 and other comprehensive income 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:

	2022 \$	2021 \$
Fixed-rate instruments		
Financial assets	14,895,254	20,165,119
Financial liabilities	16,158,482	27,438,788

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5. Property, plant, and equipment

	Freehold property \$	Generation Plants and Machinery \$	Transmission & distribution \$	Other \$	Total \$
Operational assets at cost					
As of January 1, 2021	59,804,904	248,846,805	111,667,210	25,668,813	445,987,732
Transfers	-	19,969,609	5,083,468	1,459,211	26,512,288
Disposals	-	(13,019,999)	-	(649,884)	(13,669,883)
As of December 31, 2021	59,804,904	255,796,415	116,750,678	26,478,140	458,830,137
Transfers	685,004	5,263,878	3,841,214	1,132,830	10,922,926
Disposals	-	(2,149,693)	-	(591,200)	(2,740,893)
As of December 31, 2022	60,489,908	258,910,600	120,591,892	27,019,770	467,012,170
Operational assets accumulated depreciation					
As of January 1, 2021	35,362,917	186,502,271	66,171,165	22,384,984	310,421,337
Charge for the year	888,595	9,620,543	5,958,057	1,359,203	17,826,398
Disposals and transfers	-	(13,019,999)	-	(649,884)	(13,669,883)
As of December 31, 2021	36,251,512	183,102,815	72,129,222	23,094,303	314,577,852
Charge for the year	880,751	10,723,821	6,090,063	1,279,751	18,974,386
Disposals and transfers	-	(2,149,693)	-	(591,200)	(2,740,893)
As of December 31, 2022	37,132,263	191,676,943	78,219,285	23,782,854	330,811,345
Operational assets net book value					
As of January 1, 2021	24,441,987	62,344,534	45,496,045	3,283,829	135,566,395
As of December 31, 2021	23,553,392	72,693,600	44,621,456	3,383,837	144,252,285
As of December 31, 2022	23,357,645	67,233,657	42,372,607	3,236,916	136,200,825

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

	Freehold property \$	Generation Plants and Machinery \$	Transmission & distribution systems \$	Other \$	Total \$
Capital work-in-progress					
As of January 1, 2021	25,784	8,232,265	1,948,207	1,041,673	11,247,929
Additions	19,190	16,366,699	3,204,009	656,593	20,246,491
Transfers	-	(19,969,608)	(5,083,468)	(1,459,212)	(26,512,288)
As of December 31, 2021	44,974	4,629,356	68,748	239,054	4,982,132
As of January 1, 2022	44,974	4,629,356	68,748	239,054	4,982,132
Additions	659,314	4,713,894	3,978,545	1,695,788	11,047,541
Transfers	(685,004)	(5,263,560)	(3,841,017)	(1,132,829)	(10,922,410)
As of December 31, 2022	19,284	4,079,690	206,276	802,013	5,107,263
Capital Spares					
As of December 31, 2021	-	3,741,190	5,129,188	-	8,870,378
Net additions/(transfers)	-	863,101	(519,676)	-	343,425
As of December 31, 2022	-	4,604,291	4,609,512	-	9,213,803
Provision of obsolescence					
As of December 31, 2021	-	2,436,481	1,029,601	-	3,466,082
Charges (reversals) for the year	-	(397,332)	(400,826)	-	(798,158)
As of December 31, 2022	-	2,039,149	628,775	-	2,667,924
Total assets net book value					
As of January 1, 2021	24,467,771	72,281,639	51,657,356	4,325,502	152,732,268
As of December 31, 2021	23,598,366	78,627,665	48,789,791	3,622,891	154,638,713
As of December 31, 2022	23,376,929	73,878,489	46,559,620	4,038,929	147,853,967

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

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 \$46,559,620 at December 31, 2022 (2021: \$48,789,791). The value of the fund was \$25,361,392 at December 31, 2022 (2021: \$24,361,392).

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

	2022 \$	2021 \$
Equity Securities		
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	1,350,000	1,359,000
Total equity securities FVTPL	1,550,000	1,559,000
Debt securities		
4.5% Government of St. Vincent and the Grenadines 10-year bonds, due January 31, 2023	1,036,310	3,041,019
7% Government of St. Vincent and the Grenadines 7-year bonds, due July 16, 2025	428,571	571,429
Total debt securities at amortized cost	1,464,881	3,612,448
Less: provision for impairment	(3,068)	(15,729)
Debt securities, net	1,461,813	3,596,719
Total investments	3,011,813	5,155,719
Less: current portion	(1,179,167)	(2,147,567)
	1,832,646	3,008,152

The movement in the allowance for impairment of investments during the year is as follows:

	2022 \$	2021 \$
Balance as at January 1	(15,729)	(38,788)
Recovery for the year	12,661	23,059
Balance as at December 31	(3,068)	(15,729)

The Company's shareholding in the Bank of St. Vincent and the Grenadines Ltd as at December 31, 2022 is 150,000 (2021: 150,000) shares. The current market price of the shares in the Bank of St. Vincent and the Grenadines Limited is EC\$9.00 per share (2021: EC\$9.06).

ST. VINCENT ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
December 31, 2022
(Expressed in Eastern Caribbean Dollars)

7. Inventories

	2022 \$	2021 \$
Uniforms	521,540	604,846
Fuel, lubricants and chemicals	4,787,263	3,146,072
Stationery	164,339	175,213
	5,473,142	3,926,131
Add: Goods-in-transit	214,911	51,797
Less: provision for obsolescence	(116,870)	(325,352)
	5,571,183	3,652,576

8. Short-term investments

	2022 \$	2021 \$
Bank of St. Vincent and the Grenadines		
Certificate of deposit earning annual interest of 1.5% (2021:1.5%) with maturity October 2023	7,998,754	7,880,546
Certificate of deposit earning annual interest of 1.5% (2021:1.5%) with maturity of January 2023	5,431,619	5,272,265
Government of St. Vincent and the Grenadines		
91-day treasury bills earning interest of 1.5% matured on February 2022	-	4,975,190
	13,430,373	18,128,001

9. Trade and other receivables

	2022 \$	2021 \$
Trade receivables, gross	61,291,020	50,966,932
Less: specific bad debt written off	(3,814,856)	-
Less: provision for impairment of trade receivables	(16,168,140)	(15,807,619)
Trade receivables, net	41,308,024	35,159,313
Other receivables, gross	15,040,001	15,023,072
Less: provision for impairment of other receivables	(9,714,264)	(9,714,264)
Other receivables, net	5,325,737	5,308,808
Trade and other receivables, net	46,633,761	40,468,121

Included in other receivables is a loan in the amount of \$4,075,350 receivable from the Government of St. Vincent and the Grenadines advanced to serve as a bridging loan to assist the St. Vincent Geothermal Company Limited. The principal shall be repaid semi-annually commencing January 31, 2023, with a maximum term of seven (7) years. The loan bears 4% interest per annum commencing January 2023.

ST. VINCENT ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
December 31, 2022
(Expressed in Eastern Caribbean Dollars)

9. Trade and other receivables (cont'd)

The movement in the allowance for impairment of trade receivables during the year is as follows:

	2022 \$	2021 \$
Balance at the beginning of year	15,807,619	9,793,988
Provision for impairment of trade receivables	360,521	6,013,631
Balance at end of year	16,168,140	15,807,619

The movement in the allowance for impairment of other receivables during the year is as follows:

	2022 \$	2021 \$
Balance at the beginning of year	9,714,264	9,540,975
Provision for impairment of other receivables	-	173,289
Balance at end of year	9,714,264	9,714,264

10. Share capital

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

	2022 \$	2021 \$
Issued and fully paid - 5,809,182 ordinary shares without nominal or par value	29,045,910	29,045,910

11. Borrowings

	Note	2022 \$	2021 \$
(a) Caribbean Development Bank Funding Government of St. Vincent and the Grenadines - First Power Project: International Development Association	11(a)	382,001	436,579
(b) Government of St. Vincent and the Grenadines United States Agency for International Development	11(b)	2,654,690	3,491,318
(c) European Investment Bank - Lowmans Bay	11(c)	-	394,854
(d) PDV Caribé	11(d)	371,791	1,218,165
(e) Bank of St. Vincent and the Grenadines 10 year 5.25% Bond	11(e)	12,750,000	14,250,000
Total long-term borrowings		16,158,482	19,790,916
Less: current portion		(2,934,959)	(3,632,435)
		13,223,523	16,158,481

11. Borrowings (cont'd)

(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.

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) 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.

(c) 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%, with the final tranche maturing in July 2022.

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 the debt service ratio is more than 1.5.

(d) 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.

ST. VINCENT ELECTRICITY SERVICES LIMITED
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December 31, 2022
(Expressed in Eastern Caribbean Dollars)

11. Borrowings (cont'd)

(e) Bank of St. Vincent and the Grenadines

Private bond of \$15,000,000 in two equal tranches repayable over a period of ten (10) years in equal semi-annual instalments, plus interest at a fixed rate of 5.25%. Repayments commenced on April 29, 2021 and May 1, 2022 six months after the date of the disbursement of each tranche. Security is provided by way of a pledge of the Company's 10-year and 7-year bonds disclosed in note 6 and a charge on the company's 44,105 sq ft property in Kingstown.

12. Consumers' contributions to line extensions

	Government \$	Other consumers \$	Total \$
Contributions			
As at January 1, 2021	4,363,153	22,090,774	26,453,927
Received during the year	-	474,021	474,021
Refunds	-	(17,503)	(17,503)
As at December 31, 2021	4,363,153	22,547,292	26,910,445
As at January 1, 2022	4,363,153	22,547,292	26,910,445
Received during the year	-	404,092	404,092
Refunds	-	(808)	(808)
As at December 31, 2022	4,363,153	22,950,576	27,313,729
Amortization			
As at January 1, 2021	4,363,153	21,352,408	25,715,561
Amortization for the year	-	71,693	71,693
As at December 31, 2021	4,363,153	21,424,101	25,787,254
Amortization for the year	-	91,589	91,589
As at December 31, 2022	4,363,153	21,515,690	25,878,843
Carrying amounts			
As of December 31, 2021	-	1,123,191	1,123,191
As of December 31, 2022	-	1,434,886	1,434,886

ST. VINCENT ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
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13. Deferred contribution to capital assets

	Streetlight Project \$	Solar PV Project \$	Total \$
Contributed Assets			
As at January 1, 2021	4,516,403	6,153,438	10,669,841
Contributed during the year	-	-	-
As at December 31, 2021	4,516,403	6,153,438	10,669,841
As at January 1, 2022	4,516,403	6,153,438	10,669,841
Contributed during the year	-	-	-
As at December 31, 2022	4,516,403	6,153,438	10,669,841
Amortization			
As at January 1, 2021	270,984	369,206	640,190
Amortization for the year	270,984	369,206	640,190
As at December 31, 2021	541,968	738,412	1,280,380
Amortization for the year	270,984	369,206	640,190
As at December 31, 2022	812,952	1,107,618	1,920,570
Carrying amounts			
As of December 31, 2021	3,974,435	5,415,026	9,389,461
As of December 31, 2022	3,703,451	5,045,820	8,749,271

This relates to fixed assets contributed by the Government of St. Vincent and the Grenadines under the Union Island Solar PV Project and the LED Streetlight Project. The deferred contributed capital assets will be amortized on a straight line basis, over the estimated useful life of the underlying assets and recognized as income by way of a reduction in the depreciation charge of the underlying assets.

14. Consumers' deposits

	2022 \$	2021 \$
Deposits		
Beginning of year	7,647,871	7,460,852
Received during the year	335,090	328,481
Refunds	(237,254)	(141,462)
End of year	7,745,707	7,647,871
Interest		
Beginning of year	3,610,219	3,513,273
Expense for the year	146,070	146,308
Paid during the year	(75,481)	(49,362)
End of year	3,680,808	3,610,219
Total	11,426,515	11,258,090

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

15. Deferred tax liability

Deferred tax liability is calculated in full on temporary differences using a tax rate of 30% (2021: 30%). The movement on the deferred tax liability account is as follows:

	2022 \$	2021 \$
At beginning of year	16,412,167	17,048,102
Recognised in profit or loss	(1,043,002)	(635,935)
At end of year	15,369,165	16,412,167

Deferred tax liability is attributable to the following:

	2022 \$	2021 \$
Property, plant and equipment	21,200,824	22,433,235
Bad debt provision	(7,853,177)	(7,661,284)
Provision for obsolescence	(835,438)	(1,137,430)
Unbilled sales	2,856,956	2,777,646
Total liability	15,369,165	16,412,167

16. Trade and other payables

	2022 \$	2021 \$
Trade payables	8,407,578	7,814,046
Accrued expenses	5,320,116	5,886,105
Other payables	2,923,489	1,648,680
Government of St. Vincent and the Grenadines	825,483	825,483
	17,476,666	16,174,314

17. Expenses by nature

	2022 \$	2021 \$
Fuel cost over base price	83,441,142	48,516,080
Fuel at base price	3,845,412	3,869,677
Depreciation (note 5)	18,974,386	17,826,398
Repairs and maintenance	9,353,895	11,645,005
Employee benefit expense (note 22)	17,457,119	17,790,165
Other operating expenses (note 23)	11,508,768	11,538,110
Impairment losses, net (note 24)	4,171,716	5,794,494
Amortization of consumers' contributions to line extensions (note 12)	(91,589)	(71,693)
Amortization of contribution to capital assets (note 13)	(640,190)	(640,190)
	148,020,659	116,268,046

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

18. Other gains (losses) net

	2022 \$	2021 \$
Gain (loss) on disposal of property, plant and equipment	10,000	196,463
Foreign exchange gain/(loss)	(80)	6,294
	<u>9,920</u>	<u>202,757</u>

19. Income tax expense

Income tax expense comprises:

	2022 \$	2021 \$
Current	2,367,224	563,098
Deferred	(1,043,002)	(635,935)
	<u>1,324,222</u>	<u>(72,837)</u>

Reconciliation of effective tax rate:

	2022 %	2022 \$	2021 %	2021 \$
Profit before taxation		<u>7,465,327</u>		<u>799,943</u>
Income tax using applicable corporation tax rate	30.00	2,239,598	30.00	239,983
Non-deductible expenses (net)	69.61	5,196,660	791.74	6,333,507
Tax incentives	(67.90)	(5,069,034)	(751.35)	(6,010,392)
Change in temporary differences	(13.97)	(1,043,002)	(79.50)	(635,935)
	<u>17.74</u>	<u>1,324,222</u>	<u>(9.11)</u>	<u>(72,837)</u>

20. Earnings per share

Earnings per share is calculated upon net profit for the year of \$6,141,105, (2021: \$872,780) and 5,809,182 (2021: 5,809,182) average issued and outstanding ordinary shares.

21. Related parties

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.
- (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.

21. Related parties (cont'd)

(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.

(e) Transactions with related parties during the year were as follows:

	2022 \$	2021 \$
Revenue		
Government of St. Vincent and the Grenadines and its corporations	20,280,863	15,121,229
Expenses		
Management compensation	2,031,180	1,826,570
Directors' fees and expenses	179,175	181,621

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

The Company received capital grant from the Government of St. Vincent and the Grenadines in 2020 related to the Solar PV Project located in Union Island and the Streetlight Project with a total cost of \$10,669,841. The grant amount is recognised as income over the useful life of each respective asset based on the annual depreciation charge (note 13).

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

	2022 \$	2021 \$
Government of St. Vincent and the Grenadines	27,931,045	22,767,502

ST. VINCENT ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
December 31, 2022
(Expressed in Eastern Caribbean Dollars)

21. Related parties (cont'd)

(g) Other balances with related parties were as follows as at December 31:

	2022 \$	2021 \$
Investment		
Government of St. Vincent and the Grenadines (note 6)	1,464,881	3,612,448
Other receivables		
Government of St. Vincent and the Grenadines	4,179,387	4,179,387
Other payables		
Government of St. Vincent and the Grenadines (note 16)	825,483	825,483

22. Employee benefit expense

	2022 \$	2021 \$
Salaries and wages	15,307,425	15,634,787
National insurance contributions	663,585	668,570
Medical insurance contributions	476,798	478,107
Pension expense	1,009,311	1,008,701
	17,457,119	17,790,165
Number of employees at the reporting date	310	307

23. Other operating expenses

	2022 \$	2021 \$
Corporate sponsorship & social responsibility	322,503	1,206,914
Customer service costs	471,046	551,907
Insurance	3,462,542	3,190,908
Lube oil	929,285	809,139
Other miscellaneous costs	1,213,358	910,639
Operating supplies	823,661	777,327
Professional fees	335,642	384,228
Renewable energy purchased	1,388,475	1,220,126
Stationery and office supplies	267,251	315,155
Security	957,845	954,052
Training and development	437,743	128,698
Telecommunications	373,872	379,144
Uniforms	525,545	512,467
Spare parts provision for obsolescence/inventory write off	-	197,406
	11,508,768	11,538,110

24. Impairment losses, net

	2022 \$	2021 \$
Specific bad debt written off	3,814,856	-
General provision for bad debt	360,521	6,013,631
Total trade receivables impairment	4,175,377	6,013,631
Other receivables impairment	-	173,289
Equity securities at FVPL	9,000	(346,500)
Debt securities at amortised cost	(12,661)	(23,059)
	<u>4,171,716</u>	<u>5,817,361</u>

25. Capital commitments

As of December 31, 2022, the Board of Directors approved capital expenditure totaling \$46.9 million (2021: \$39.9 million).

26. Transfer to defined contribution plan

In accordance with a plan that was approved at a special Board of Directors' meeting on May 26, 2017, no fund (2021: \$173,289) was appropriated from the self-insurance fund (see notes 5) to fund the defined contribution plan.

27. Reclassification of prior year presentation

Certain prior year balances have been reclassified for consistency with current year presentation. These reclassifications have no effects on the reported results of operations.

ST. VINCENT ELECTRICITY SERVICES LIMITED

ADDITIONAL INFORMATION

TO THE

FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative figures as at and for year the ended December 31, 2021)

ADDITIONAL INFORMATION

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The Financial Services Centre
P.O. Box 561
Kingstown Park
St. Vincent and the Grenadines

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, 2022 and hence are excluded from the opinion expressed in our report dated September 4, 2023 to the shareholder on such financial statements.

A handwritten signature in blue ink that reads 'BDO'. The letters are stylized and connected, with a horizontal line underneath the 'O'.

BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
September 4, 2023

ST. VINCENT ELECTRICITY SERVICES LIMITED

Financial Statistics

As at and for the year ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

	2022	2021	2020	2019	2018	2017
	XCD	XCD	XCD	XCD	XCD	XCD
	000's	000's	000's	000's	000's	000's
SUMMARISED BALANCE SHEET						Restated
Share capital	29,046	29,046	29,046	29,046	29,046	29,046
Retained earnings	108,018	102,877	102,831	97,782	87,356	83,790
Other reserves	25,361	24,361	23,535	20,769	21,102	24,390
Non - current liabilities	41,455	44,952	40,970	41,652	57,309	73,505
Deferred income	9,971	10,573	10,030	-	1,873	122
	213,851	211,809	206,412	189,249	196,686	210,853
Fixed assets (Net)	147,854	154,639	152,732	150,059	165,972	175,351
Long-term investments	1,833	3,008	4,786	6,824	8,779	9,619
Current assets	85,196	73,969	65,701	59,404	53,466	57,026
Current liabilities	(21,032)	(19,807)	(16,807)	(27,038)	(31,531)	(31,143)
	213,851	211,809	206,412	189,249	196,686	210,853
SUMMARISED RESULTS						
Operating Revenues						
Energy sales	72,329	67,549	68,992	70,927	68,572	69,493
Fuel surcharge	82,931	48,457	38,394	54,089	50,514	38,221
Other	1,017	1,216	1,175	2,277	1,292	1,189
Total	156,277	117,222	108,561	127,293	120,378	108,903
Operating Expenses						
Fuel cost covered by surcharge	83,441	48,516	38,184	53,167	51,228	38,304
Renewable energy purchased	1,388	1,220	1,557	699	307	235
Operating and maintenance						
- Hydro	2,643	2,117	2,020	1,890	1,832	2,150
- Diesel	17,891	19,340	18,263	18,200	15,808	17,186
Transmission & distribution	6,811	6,427	6,346	5,567	4,842	4,915
Administration & other	14,272	20,822	15,247	16,956	19,491	19,709
Depreciation	18,974	17,826	19,200	20,072	19,554	19,690
Total	145,420	116,268	100,817	116,551	113,062	102,189
Operating income	8,256	954	7,744	10,742	7,317	6,714
Interest and other cost	(791)	(154)	(1,394)	(345)	(1,572)	(329)
Net profit before tax	7,465	800	6,350	10,397	5,745	6,385
Income tax expense	(1,324)	73	1,465	(304)	210	(6,618)
Net profit after tax	6,141	873	7,815	10,093	5,955	(233)
Other comprehensive income	-	-	-	-	-	(364)
Appraisal element in depreciation/reversed	-	-	-	-	-	-
Retained earnings brought forward	102,877	102,831	97,782	87,356	83,790	82,461
Impact of change in policy	-	-	-	-	(5,676)	-
Transfer from retirement benefit reserve	-	-	-	-	-	(684)
Final/Interim dividend	-	-	-	-	-	-
Transfer from (to) self-insurance fund	(1,000)	(827)	(2,766)	333	3,288	2,610
Retained earnings carried forward	108,018	102,877	102,831	97,782	87,357	83,790

ST. VINCENT ELECTRICITY SERVICES LIMITED
Financial Statistics
As at and for the year ended December 31, 2022

	2022	2021	2020	2019	2018	2017
GENERATING PLANT (KW)						
Site Rated Capacity (KW)						
St. Vincent	40,030	38,890	38,840	38,840	35,008	37,300
Bequia	5,075	5,075	3,795	4,145	4,145	4,145
Union Island	1,438	1,438	1,438	1,438	1,838	1,838
Canouan	3,960	3,960	4,040	4,040	4,040	4,040
Mayreau	658	308	368	368	368	302
Firm Capacity (KW)						
St. Vincent	32,112	30,190	30,140	30,140	26,308	28,600
Bequia	3,416	2,515	1,740	2,090	2,090	2,090
Union Island	1,294	710	710	1,074	1,074	1,074
Canouan	3,564	1,560	1,560	1,560	1,560	1,560
Mayreau	169	80	140	140	140	114
Peak Demand (KW) - (All Time)						
St. Vincent	21,840	21,840	21,840	21,692	21,692	21,692
Bequia	1,830	1,830	1,830	1,830	1,660	1,574
Union Island	589	589	589	589	589	580
Canouan	2,447	810	810	810	810	810
Mayreau	126	126	126	121	91	79
PRODUCTION AND SALES						
Gross Generation (kWhs)						
Hydro	22,537,575	19,221,149	21,602,782	21,617,946	23,770,249	20,327,820
Solar	1,063,481	1,390,526	1,459,555	1,662,172	1,149,929	816,242
Diesel	130,773,979	129,529,935	129,245,720	129,795,526	125,009,805	128,932,762
	154,375,035	150,141,610	152,308,057	153,075,644	149,929,983	150,076,824
Own Use	(4,811,587)	(4,832,064)	(4,904,805)	(4,738,881)	(4,544,729)	(4,719,722)
Net Generation	149,563,448	145,309,546	147,403,252	148,336,763	145,385,254	145,357,102
Renewable energy purchased	3,074,333	2,854,258	2,556,374	1,384,277	813,926	594,193
Net energy available for sale	152,637,781	148,163,804	149,959,626	149,721,040	146,199,180	145,951,295
Sales (kWhs)						
Domestic	73,936,382	73,644,211	72,698,577	70,002,313	68,226,521	68,483,434
Commercial	59,407,922	55,606,975	56,295,924	58,280,418	56,947,765	57,072,135
Industrial	6,853,574	6,476,143	6,956,234	7,138,241	6,938,268	7,277,376
Street lighting	1,702,033	1,800,804	2,936,960	2,986,108	3,003,348	3,098,274
Total Sales	141,899,911	137,528,133	138,887,695	138,407,080	135,115,902	135,931,219
Loss (% of Net Generation)	7.03%	7.18%	7.38%	7.56%	7.58%	6.86%
Number of Consumers at year end						
Domestic	43,103	42,728	41,870	41,145	40,402	39,569
Commercial	4,885	4,921	4,814	4,671	4,619	4,536
Industrial	23	23	23	24	24	23
Street lighting	46	46	46	46	46	46
	48,057	47,718	46,753	45,886	45,091	44,174