



2011 British Virgin Islands
Electricity Corporation
Annual Report



2011 British Virgin Islands
Electricity Corporation



Annual Report

TABLE OF CONTENTS

CORPORATE STATEMENT	4	TRAINING	18/19
BOARD MEMBERS	5	STAFF CHANGES	20
SENIOR MANAGEMENT	6	BVIEC IT 2011	22/23
Head Office, Bankers, Solicitors and Auditors	7	SUMMARY OF STATISTICS	24
JUNIOR MANAGEMENT	7	2011 VEHICLE FLEET	25
EXECUTIVE SUMMARY	8/9	2011 ANNUAL REPORT STATISTICAL DATA	26/27
FINANCIAL PROFILE	10	MAIN NETWORK	28
AREAS OF SERVICE AND OPERATIONS	11	ANEGADA	29
FINANCE	11	GENERATING SETS	30
TRANSMISSION AND DISTRIBUTION	12/13	TABLES	31
GENERATION 2011	14/15	AUDITOR'S REPORT	35
HUMAN RESOURCE AND ADMINISTRATION	16		

CORPORATE STATEMENT

The British Virgin Islands Electricity Corporation Ordinance No. 7 of 1978 was legislated in 1978 to provide for the establishment of a Statutory Corporation to be known as the British Virgin Islands Electricity Corporation. This Ordinance came into effect in January of 1979.

The major functions of the Corporation are the generation, transmission, distribution, supply and sale of electricity throughout the British Virgin Islands.

The Corporation is made up of a Chairman, four ordinary members and two Ex-officio members all appointed by Executive Council.

The main goal and objective of the British Virgin Islands Electricity Corporation are to provide the best possible service to its customers and to aid in the development of the Territory's electrical infrastructure by adequately supplying a reliable and continuous electrical supply to the entire British Virgin Islands' population at an affordable cost.

BOARD MEMBERS



Chairman; Mr. *Allen Parker* was appointed to the Corporation March 1, 2009 for a period of three years. Mr. Parker is a self employed businessman.



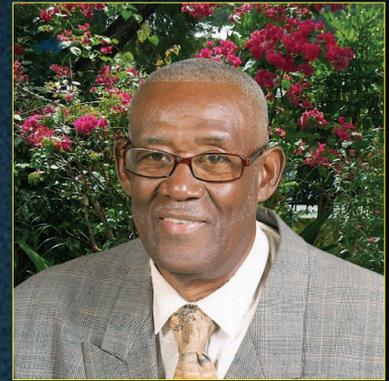
Vice Chairman; Mr. *Norbert E. Oneal*, was appointed to the Corporation on October 1, 2008 for a period of three years. He is a self-employed businessman.



Member; Mr. *Ira O. Skelton* was appointed to the Corporation on September 1, 2008 for a period of four years. Mr. Skelton is retired from the BVIEC after holding the position of Ag. Distribution Superintendent within the Transmission and Distribution Department. He is now a self-employed businessman.



Member; Ms. *Pearl Smith*, was appointed to the Corporation on September 1, 2008 for a period of three years. She is retired from the BVIEC after holding the position of Corporate Secretary/Personnel Administrator.



Member; Mr. *John Rhymer*, was appointed to the Corporation on October 1, 2008 for a period of four years. He is a self-employed businessman



Ex-Officio Member; Mr. *Leroy Abraham* was appointed Ex-Officio Member since September 1, 2000 and was confirmed as General Manager on September 1, 2004.



Member; Mr. *Wayne Robinson*, was appointed to the Corporation on October 1, 2009 for a period of four years. He is a self-employed businessman.



Ex-Officio Member; Ms. *Arlene Smith*, Ag. Permanent Secretary, Ministry of Communications and Works.

SENIOR MANAGEMENT



Deputy General Manager (Ag.)
Mr. Henry Crique
B.EE (Hons), MIEEE, MCFI



Transmission & Distribution Engineer (Ag.)
Ms. Symorne Penn
B.EE (Hons)



IT Manager
Mr. Kelvin Eubanks
B.S., M.S. Digital Technology



Human Resource Manager
Mrs. Tamara George-Barry
B.Sc, M.P.A, M.H.A.



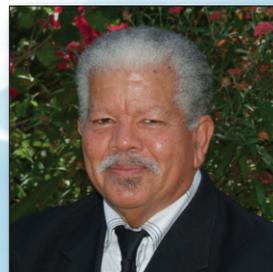
General Manager
Mr. Leroy A.E. Abraham,
B.Sc.EE, C. Eng, MIEE



Financial Controller
Mrs. Carmen A. Sully
B.A. Acct, ACCA



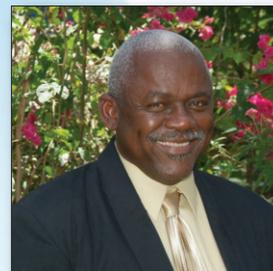
Deputy HR Manager
Mrs. Shonda Cameron
B.A. Business Administration



Plant Manager
Mr. Wilfred Smith



Deputy Financial Controller
Ms. Cleo Christian
B.S. Accounting
M.A.F.M.



Deputy Plant Manager
Mr. Frederick Frett

HEAD OFFICE, BANKERS, SOLICITORS AND AUDITORS

HEAD OFFICE

Long Bush, Tortola | British Virgin Islands | Mailing Address:P.O. Box 268 | Road Town, Tortola VG 1110 | B.V.I |
Tel: 284-494-3911 | Fax: 284-494-4291 | Email:bviectgm@bvilectricity.com

BANKERS

First Caribbean InternationalBank
Road Town,
Tortola, B.V.I.

Barclays Banks PLC
Old Broad Street Branch
London, England

Scotia Bank (BVI) Limited
Road Town
Tortola, B.V.I.

First Bank VI
Road Town,
Tortola B.V.I.

Banco Popular de Puerto Rico
Road Town
Tortola, B.V.I.

National Bank of the Virgin Islands
Road Town
Tortola, B.V.I.

SOLICITORS

O'Neal Webster
Simmonds Building
Wickham's Cay 1,
Road Town,
Tortola, B.V.I.

AUDITORS

Principal
Chief Auditor
Audit Department
B.V.I Government

Contracted
Deloitte & Touche
Wickhams Cay 1
P.O. Box 3083
Road Town,
Tortola VG1110
British Virgin Islands.

JUNIOR MANAGEMENT

ACCOUNTANT

Mr. Kenrick Grant
B.S. Accounting and Finance Management

ACCOUNTANT

Mr. Randy Ragnauth
C.A.T.

ACCOUNTANT

Ms. Glenda Allen
B.S. Accountancy

SYSTEMS DEVELOPER

Mr. Hector Cruz Jr.
B.S. Computer Science

ENGINEER

Mr. Ottley Rymer
B.S. Electrical Engineering

ENGINEER

Mr. Chaswell Varlack
B.S. Mechanical Engineering Technology

ENGINEER

Mr. Leroy Abraham
B.S. Electronics Engineering Technology

VEHICLE MAINTENANCE SUPERVISOR

Mr. Damian Creque
B.S. (Hon) Automotive Technology



EXECUTIVE SUMMARY

Operating Revenues

At the end of the year in review, the Corporation realized operating revenue of \$61.86 million compared to \$57.29 million for the previous year. Revenue from electricity sales increased to \$65.20 million which was 16.83% more than 2010 (\$55.81 million). During the year 77% of the revenue from the sale of electricity came from Tortola, 17% came from Virgin Gorda, 3% came from the other islands and 3% came from Streetlights. Domestic customers contributed 33% of the revenue, commercial customers 57%, industrial customers 8% and streetlighting 3%.

Operating Expenses

Operating expenses, which were 98.96% of total revenue included depreciation expenses of \$4.58 million. Overall, operating expenses increased from \$54.00 million in 2010 to \$61.21 million in 2011, an increase of 13.36%. Fuel and oil costs of \$40.35 million, which was the single largest expense, increased from 30.81 million in 2010.

During the preparation of the 2011 budget, sales were projected to increase approximately 4.8% over the previous year's sales. This assumption was made in light of the previous year's growth, the projection from BVIEC's Power Development Study 2003-2013 and the economic outlook for the British Virgin Islands for the year 2011.



The above revenue and operating expenses resulted in an operating profit of \$4.19 million compared to an operating profit of \$2.00 million in 2010.

Capital Expenditures

For the year in review, the Corporation spent 1.44 million dollars on capital additions. Details as follows: 1.93% was spent on Generating Plant and equipment, 58.94% on the Transmission and Distribution Systems, 15.36% on motor vehicles, 0.62% on furniture, 6.88% on computing equipment, 2.41% on Land and Building, and 13.86% on work in progress.

Other Income and Expenses

Finance charges decreased by 6.03% mainly due to a reduction in the total principal amount owed by the Corporation.

In 2011, there was an unrealized foreign exchange loss of \$34,238 compared with a gain of \$4,962 in 2010.

The islands which were within the Corporation's area of service during 2011 were:

1. Tortola
2. Beef Island
3. Frenchman's Cay
4. Virgin Gorda
5. Great Camanoe
6. Jost Van Dyke
7. Marina Cay
8. Little Thatch
9. Scrub Island
10. Saba Rock
11. Buck Island
12. Anegada

The electrical demands of the first eleven (11) islands were met from the power stations on the island of Tortola, at Long Bush and Pockwood Pond. The electrical demand of the 12th Island - Anegada, was met by a small power station at that location with an installed capacity of 1330 KW.

Operations

During the preparation of the 2011 budget, the Corporation projected an increase of 4.8% in the sale of electricity over the preceding year's budget. The actual units sold were 166.3 million kilowatt hours (kWh); 10.71% less than the projected value of 186.3 million units. Revenue collected from unit sales was 2.47% more than the value projected due to higher than anticipated fuel costs.

During 2011, sales decreased by 5.81 million units, a decrease of 3.37% below 2010, and units generated decreased by 4.88 million units, a decrease of 2.49% below 2010.

Fuel usage in 2011 increased slightly over 2010 by approximately 0.56 million gallons. The total cost of fuel and oil increased significantly to \$40.35 million in 2011 compared with \$30.81 million in 2010, an increase of 30.97% or \$9.54 million, mainly due to increase in crude oil prices as world economies continued their gradual recovery from the 2008 global financial meltdown.

During 2011 an additional 322 customers were added to the Distribution Network bringing the total number of customers on the system at December 31, 2011, to 15,496. The revenue per unit metered increased 24.81% from 2010 and the cost per unit metered increased 19.59%.



FINANCIAL PROFILE

SUMMARY OF UNITS SOLD & REVENUE BY CUSTOMER GROUPING 2011

Customer Type	Units Sold kwh	No. Of Customers	Sales
Domestic	52,931,549	13,276	\$ 21,325,572.94
Commercial	96,545,557	2,194	\$ 36,675,424.00
Industrial	13,654,813	25	\$ 4,855,571.03
Streetlighting	3,844,360	1	\$ 1,705,698.51
Total	166,976,279	15,496	64,562,266.48

GOALS FOR THE FUTURE

To increase initiatives to collect all accounts receivables within the standard thirty (30) days period and intensify efforts to collect all overdue accounts;

To enhance procedures and controls of the accounts payables operations to ensure complete, accurate and timely payment to our Suppliers;

To provide necessary training and development to employees of Finance Department, to fully equip and motivate staff towards Excellent Standards Of Performance.

To continue to work with other departments to improve the quality of service to external as well as internal customers.

Income and Expenses



FINANCE

AREAS OF SERVICE AND OPERATIONS

SALES BY ISLANDS (\$1000) 2007- 2011

ISLANDS	2007	2008	2009	2010	2011
Tortola	\$36,875.20	\$45,433.65	\$37,743.02	\$43,877.23	\$49,854.29
Virgin Gorda	\$7,628.53	\$9,308.60	\$7,534.93	\$9,044.09	\$10,694.51
Anegada	\$344.86	\$437.21	\$376.67	\$460.46	\$523.13
JostVan Dyke	\$411.38	\$499.65	\$412.26	\$479.40	\$553.42
Camanoe	\$209.06	\$258.44	\$171.62	\$839.47	\$1,231.22
Streetlighting	\$1,335.01	\$1,592.58	\$1,319.05	\$1,476.39	\$1,705.70
TOTAL	\$46,804.05	\$57,530.13	\$47,557.54	\$56,177.04	\$64,562.27



TRANSMISSION AND DISTRIBUTION

The department performed the following projects during the course of 2011:

- Completed the meter change-outs in cycles 101, 102, 103, 104, 111, 113, 114, 601, 112, 254, 255, 361, 362, and 550.
- Completed the installation of submarine cable from Gun Creek to Carato Bay
- Completed line clearing on Long Bush East and West Feeders.
- Completed line clearing on Long Swamp Feeders.
- Replaced all burnt/rotten crossarms on the Anegada T&D network.
- Completed all changeovers existing on the Anegada T&D network.
- Performed maintenance on all stays on the Anegada T&D network.
- Completed the Long Swamp East Feeder line relocation between Long Swamp and Major Bay.
- Completed line clearing on Pockwood Pond East and West Feeders.
- Completed the Long Swamp West Feeder line relocation at Brandywine Bay.
- Serviced all Air Break Switches on Tortola and Jost Van Dyke.
- Dropped and removed all de-energized lines in the Meyers/Mayaba area.
- Completed line clearing on the Fisher's Cove and Catholic Church Feeders in Virgin Gorda.
- Finalized the needed repairs to the TAMCO equipment at various 13.2 kv and 34.5 kv Substations as per the recommendations made by TAMCO.
- Completed the installation of heaters at Long Bush and the change out of the long PDS at Pockwood Pond 34.5kv Substations.
- Serviced all switches on the Wickhams Cay Feeder #2.
- Installed the AMR Transformer at Long Swamp Substation.
- Energized the submarine cable between Gun Creek and Carato Bay.



- Completed the H.V. changeover at Treadfall
- Conducted system maintenance on about 30% of BVIEC’s overhead distribution system.
- Planted poles and stays required for the relocation of Pockwood Pond West mainline at Coxheath, installed an Air Break Switch at Towers, and condemned the Main Line Isolators at Big Bens.
- Completed the line relocation for the Sticket in Long Look.
- Completed system maintenance at Bitter End Virgin Gorda.
- Conducted system maintenance on Anegada T&D network.
- To 0.1 conductor and to replace existing HV fuses with an Air Break Switch.
- To service all Air Break Switches on Virgin Gorda
- To complete the Main Line relocation for JOMA Properties on the Spare Road Town Feeder.
- To change band joints on all Lucy Switches on Tortola.
- To complete the change out of the entire length of Transmission Line Shield Wire, and to energize the IT1 Transmission Line Cable.
- To install Mainline fuses to separate the North and South Feeders on Anegada.
- To repair all Streetlights on Anegada.

Some of the objectives the Department planned to accomplish in 2012 were:

- To install 4 sets of Surge Arrestors at strategic places on the Long Bush Ridge Feeder.
- To install an Air Break Switch on the Long Bush Ridge Feeder at Sky World.
- Line Clearing on all Feeders.
- To complete the line upgrade of the Moorings T-Off from 0.025
- To straighten poles on BVIEC’s overhead distribution system.
- To replace all rotten stays and stay wires in the Pond Bay and Savannah Bay areas.
- To remove the old Long Swamp East End Feeder.

GENERATION 2011

For the year 2011, the gross unit production of the department was 191,355,859 kilowatt-hours (kWh). This was a reduction from 2010, when the total units generated was 196,060,806 kilowatt-hours (kWh). This reduction was most likely due to either the public becoming more energy aware or as a result of a slowdown in economic activity in the Territory. The generating capacity in 2011 was 39.2 MW at Pock Wood Pond and 5.5 MW at Long Bush Station for a total of 44.7 MW. The peak demand for 2011 was 32.7 MW - 73.2% of the generating capacity.

Anegada

In 2011 the Anegada Power Station produced 1,780,048 kilowatt-hours (kWh). This number represents 58,358 kWh more than the 2010 production, a 3.3% increase demand. The generating capacity of the station for 2011 was 14.5 Kw with a peak demand of 3.2Kw.

2011 Activities

Four major overhauls were carried out in 2011 as shown by Table 1 below.

Engine No.	Start Date	Completion Date	Engine Hours at time of service	Type of overhaul
Unit 5	January 19	February 10	29,473 hours	24,000
Unit 6	February 18	March 15	30,045 hours	24,000
Unit 7	September 1	October 13	37,774 hours	36,000
Unit 8	October 29	December 18	37,784 hours	36,000

Table 1: Major Overhauls for 2011

Turbo charger

Table 2 shows the services carried out on the turbo charger.

Start Date	Completion Date	No. of Hours	Turbo charger	Service carried out
March 12	March 14	8000 hours	No. 5	Inspection of bearing and oil pump change
March 17	March 19	8000 hours	No. 6	Inspection of bearing and oil pump change
March 26	March 27	8000 hours	No. 8	Inspection of bearing and oil pump change
June 24	June 27	8000 hours	No. 4	Inspection of bearing and oil pump change

Table 2: Turbo charger services

Water plant

Table 3 shows the services carried out on the water plant.

Date	Service
January 23	Replaced isolating valve between the feed line to the station and the old manifold sea water pump house
May	Installation of a new pump and bypass line for the transfer of water to the Water and Sewerage line was completed.
June	The installation of the control panel for the transfer pump for the Water and Sewerage line was completed.

Table 3: Service on water plant

Sea water pump house

Table 4 shows the service completed on the sea water pump house.

Date	Line	Service
January 11	line #1	changed a leaking valve between header and the discharge line to the station
January 22	line #2	changed the bypass sea water valve between the header and the strainer for discharge
October 2011		installed 490 ft of 10" P V C piping from number 5 sea water pump to the sea
October 30 to Nov. 5		rebuilt the number five sea water pump

Table 4: Service on sea water pump house

Bypass fuel meters

The installation of the bypass fuel meters commenced on November 6, 2011 and was completed on February 18, 2012.

On March 4, 2011 the number 7 unit was fitted with a bypass fuel metering system.

On November 6, 2011 the number 5 and 8 units were fitted with a bypass fuel metering system.

This initiative has improved the monitoring and recording capability of the fuel consumption and usage of numbers 5, 6, 7 and 8 engines and the overall station usage

Anegada

November 6, 2011 three workers travelled to Anegada to carry out repairs on units 1, 2 and 3 fuel systems.

The work was completed on November 10, 2011 and the three units placed on stand-by.

The caterpillars 4 and 5 did all of the running for 2011. The servicing and repairs of the units was carried out by Parts and Power.

HUMAN RESOURCE AND ADMINISTRATION

EMPLOYEES

The below table depicts the amount of employees that were on the Corporation's payroll for the years ending 2008 – 2011. They are classified according to departments..

Employees by Departments 2008 - 2011

Department	2008	2009	2010	2011
Human Resource/Administration	8	10	11	12
Finance	43	42	41	41
Transmission & Distribution	48	52	52	53
Generation	68	63	58	63
Information Technology	4	5	5	4
Total	171	172	167	173

The following is a listing of the various staff changes and additions that took place during the year 2011:-

SUMMER EMPLOYEES

Eleven students were given the opportunity to be employed by the Corporation during the summer of 2011. They were assigned as follows:-

1. Carlos Rodriquez – Human Resource/Administration Department
2. William Bridgewater – Transmission and Distribution Department (V.G.)
3. Eddison Crooke – Transmission and Distribution Department
4. Tamara Ambris – Transmission and Distribution Department
5. Cedric King – Information Technology Department
6. Salphena Henry – Information Technology Department
7. Kemon Grant – Information Technology Department
8. Travis Gumbs – Generation Department
9. Oneyke Huggins – Generation Department
10. Morissa Cornwell – Finance Department
11. Andre Percival – Finance Department

TRAINING

Every year, greater effort is made to continuously improve the skills and abilities of our human resources. This year, focus was placed on equipping the managerial and supervisory staff with the necessary tools and techniques needed to thrive in a diverse and dynamic workforce. The following training courses were accomplished during 2011:-

Training was given in the following areas:

Department	Courses	Venue	Number of Employees
Transmission & Distribution:	Prepa VI Interconnection Interim Report 1 Meeting	Puerto Rico	1
	How to Excel at Managing and Supervising People	Tortola, BVI	10
	Generation Management	Tortola, BVI	7
	Conference on Customer Service	Tortola, BVI	4
	Coaching – Conference on Customer Service	Tortola, BVI	4
	Managing and Elimination Unacceptable Behaviour	Tortola, BVI	10
	Fundamentals of Finance and Accounting	Tortola, BVI	1
	Financial Statement Analysis	Tortola, BVI	1
	Essentials of Communicating with Diplomacy and Professionalism	Tortola, BVI	8
	Coaching and Team Building Skills for Manager and Supervisors	Tortola, BVI	5
	Conflict Resolution and Confrontation Management	Tortola, BVI	5
	Regional Risk Reduction Initiative (R3i) Coastal Hazard Analysis Seminar	Tortola, BVI	1
	Duramex Diesel Diagnostics	Tortola, BVI	6
	Front Desk Superstar	Tortola, BVI	2
	Coaching – Front Desk Superstar	Tortola, BVI	2
Generation:	Auto Tech On Wheel	New Jersey	1
	How to Excel at Managing and Supervising People	Tortola, BVI	1
	Generational Management	Tortola, BVI	9
	Plant Operators Level 1	Tortola, BVI	10
	Conference on Customer Service	Tortola, BVI	19
	Coaching – Conference on Customer Service	Tortola, BVI	12
	Managing and Eliminating Unacceptable Behaviour	Tortola, BVI	9
	Fundamentals of Finance and Accounting	Tortola, BVI	2
	Financial Statement Analysis	Tortola, BVI	4
	Shell Lubricant Meeting	Barbados	1
	Wartsila Technical Days	Puerto Rico	2
	Essentials of Communicating with Diplomacy and Professionalism	Tortola, BVI	6
	Coaching and Team Building Skills for Managers and Supervisors	Tortola, BVI	2
	Conflict Resolution and Confrontation Management	Tortola, BVI	3
	Carilec's 2011 Engineers Conference	Curacao	2
Front Desk Superstar	Tortola, BVI	6	
Finance:	How to Excel at Managing and Supervising People	Tortola, BVI	12
	Generational Management	Tortola, BVI	9
	Leadership Development	Tortola, BVI	1
	Consultative Selling	Tortola, BVI	1
	Just Enough Project Management	Tortola, BVI	1
	Conference on Customer Service	Tortola, BVI	17

Training was given in the following areas:

Department	Courses	Venue	Number of Employees
Human Resource:	Coaching – Conference on Customer Service	Tortola, BVI	10
	Managing and Eliminating Unacceptable Behaviour	Tortola, BVI	9
	Fundamentals of Finance and Accounting	Tortola, BVI	4
	Financial Statement Analysis	Tortola, BVI	5
	Essentials of Communicating with Diplomacy and Professionalism	Tortola, BVI	6
	Coaching and Team Building Skills for Managers and Supervisors	Tortola, BVI	2
	Conflict Resolution and Confrontation Management	Tortola, BVI	1
	Front Desk Superstar	Tortola, BVI	16
	Coaching – Front Desk Superstar	Tortola, BVI	11
	Executive Performance Management for Manager and Supervisors	Tortola, BVI	1
	Prepa VI Interconnection Interim Report 1 Meeting	Puerto Rico	1
	How to Excel at Managing and Supervising People	Tortola, BVI	3
	Generational Management	Tortola, BVI	3
	Conference on Customer Service	Tortola, BVI	3
	Coaching – Conference on Customer Service	Tortola, BVI	3
	26th Annual Platts Global Markets Conference	Las Vegas	1
	Managing and Eliminating Unacceptable Behaviour	Tortola, BVI	3
	Fundamentals of Finance and Accounting	Tortola, BVI	2
	Financial Statement Analysis	Tortola, BVI	4
	Carilec's CEO Conference	Barbados	1
	Essentials of Communicating with Diplomacy and Professionalism	Tortola, BVI	4
	Human Rights Capacity Building Project in the UK and Overseas Territories	Tortola, BVI	3
	Coaching and Team Building Skills for Managers and Supervisors	Tortola, BVI	2
	Conflict Resolution and Confrontation Management	Tortola, BVI	2
	Front Desk Superstar	Tortola, BVI	3
	Coaching – Front Desk Superstar	Tortola, BVI	3
Carilec's Renewable Energy Forum	St. Thomas, USVI	1	
Executive Performance Management for Managers and Supervisors	Tortola, BVI	2	
Information Technology: a	How to Excel at Managing and Supervising People	Tortola, BVI	2
	Generational Management	Tortola, BVI	2
	Managing and Eliminating Unacceptable Behaviour	Tortola, BVI	1
	CompTia Network +	Orlando, Florida	1
	Fundamentals of Finance and Accounting	Tortola, BVI	2
	ICND 1 and 2 Boot camp	Miami, Florida	1
	Financial Statement Analysis	Tortola, BVI	2
	ICND1	Orlando, Florida	1
	Essentials of Communicating with Diplomacy and Professionalism	Tortola, BVI	2
	Developing User Requirements – The key to project success	Online	1
	Coaching and Team Building Skills for Managers and Supervisors	Tortola, BVI	1
	Conflict Resolution and Confrontation Management	Tortola, BVI	1
6419 Configuring, Managing and Maintaining Windows Server 2008	Orlando, Florida	1	



STAFF CHANGES

NEW EMPLOYEES

HUMAN RESOURCE:

LAKISHA FRETT
KISHMA WILLIAMS

FINANCE:

GLENDA ALLEN
TAMIKA MILLINGTON
GLENMORE JOHNSON
NANCY WOODS
CYRINE CHARLES
ANDRE PERCIVAL

INFORMATION TECHNOLOGY:

HECTOR CRUZ JR.
LEAVE/SCHOLARSHIP)

TRANSMISSION AND DISTRIBUTION:

LEROY ABRAHAM

GENERATION:

SAMUEL LEGAIR
BRUCE FOXE
KYSHAUN TODMAN

- ADMINISTRATIVE ASSISTANT
- ADMINISTRATIVE ASSISTANT
- ACCOUNTANT (BVIEC SCHOLARSHIP RECIPIENT)
- CUSTOMER SERVICE REPRESENTATIVE
- CUSTOMER SERVICE REPRESENTATIVE
- CUSTOMER SERVICE REPRESENTATIVE
- CUSTOMER SERVICE REPRESENTATIVE
- INVENTORY CLERK
- SYSTEMS DEVELOPER (REJOINED AFTER STUDY LEAVE)
- ENGINEER (REJOINED AFTER STUDY LEAVE)
- PLANT OPERATOR (ANEGADA)
- PLANT OPERATOR (ANEGADA)
- PLANT OPERATOR



CLEVAN THOMAS
KAREEM BLACKMOORE
TRAVIS GUMBS
ERSEKIEL SAMUEL

RESIGNATIONS
HUMAN RESOURCE:
CYRINE DASENT
ELETA GEORGE

FINANCE:
FRANZUA SAMUEL
MITCHELL BREWLEY

INFORMATION TECHNOLOGY:
ROXANNE ISAACS
BRIAN TIMOTHY

TERMINATIONS
FINANCE:
SHAUNISE FAHIE
ADRIANNA ADONIS

RETIREMENTS
FINANCE:
DORBEEN BARNES
GWENDOLYN WHEATLEY

GENERATION:
WILBUR POTTER

PROMOTIONS
TRANSMISSION AND DISTRIBUTION:
SYMORNE PENN

- PLANT OPERATOR
- PLANT OPERATOR
- LABOURER
- LABOURER

- ADMINISTRATIVE ASSISTANT
- CLEANER (V.G)

- INVENTORY CLERK
- SENIOR CUSTOMER SERVICE FIELD CLERK

- SYSTEMS DEVELOPER
- SYSTEMS ANALYST (NON-RENEWAL OF CONTRACT)

- CUSTOMER SERVICE REPRESENTATIVE
- CUSTOMER SERVICE REPRESENTATIVE

- INVENTORY CLERK
- CUSTOMER SERVICE SUPERVISOR

- DESALINATION SHIFT OPERATOR

- TRANSMISSION AND DISTRIBUTION ENGINEER, AG.

BVIEC IT 2011



The achievements of the Information Technology Department in its major initiatives for 2011 are summarized below. In 2011 the BVIEC implemented its new website with online bill payment feature at www.bvielectricity.com.

Customers were now able to gain information on the dates of disconnections and review advisories on electrical maintenance work being performed throughout the territory by the BVIEC. In addition, customers were also able to check their account information and review and pay their electricity bills on the website without having to come to the offices or make a call to the Corporation. Further enhancements to the website were planned which included an automatic payment feature and providing additional information on customers' consumption.

The problems with the production of accurate statistics reports from the Northstar Customer Information System were resolved in late 2010. In 2011 the Finance Department was once again able to produce timely monthly statistics. The I.T. Department procured and prepared a new server for an interim upgrade and migration of the Financial System mainly because the existing server had become antiquated and was past its useful life. At the end of 2011, the project was still incomplete due to delays suffered by the vendor Harris Northstar.

As a contingency, remote backup of the Harris Financial Accounting System (HFINS) was implemented where live copies of the database and application were ported through secure internet technology to a service provider located outside of the territory. Employees would access the backup system directly from their desktops.

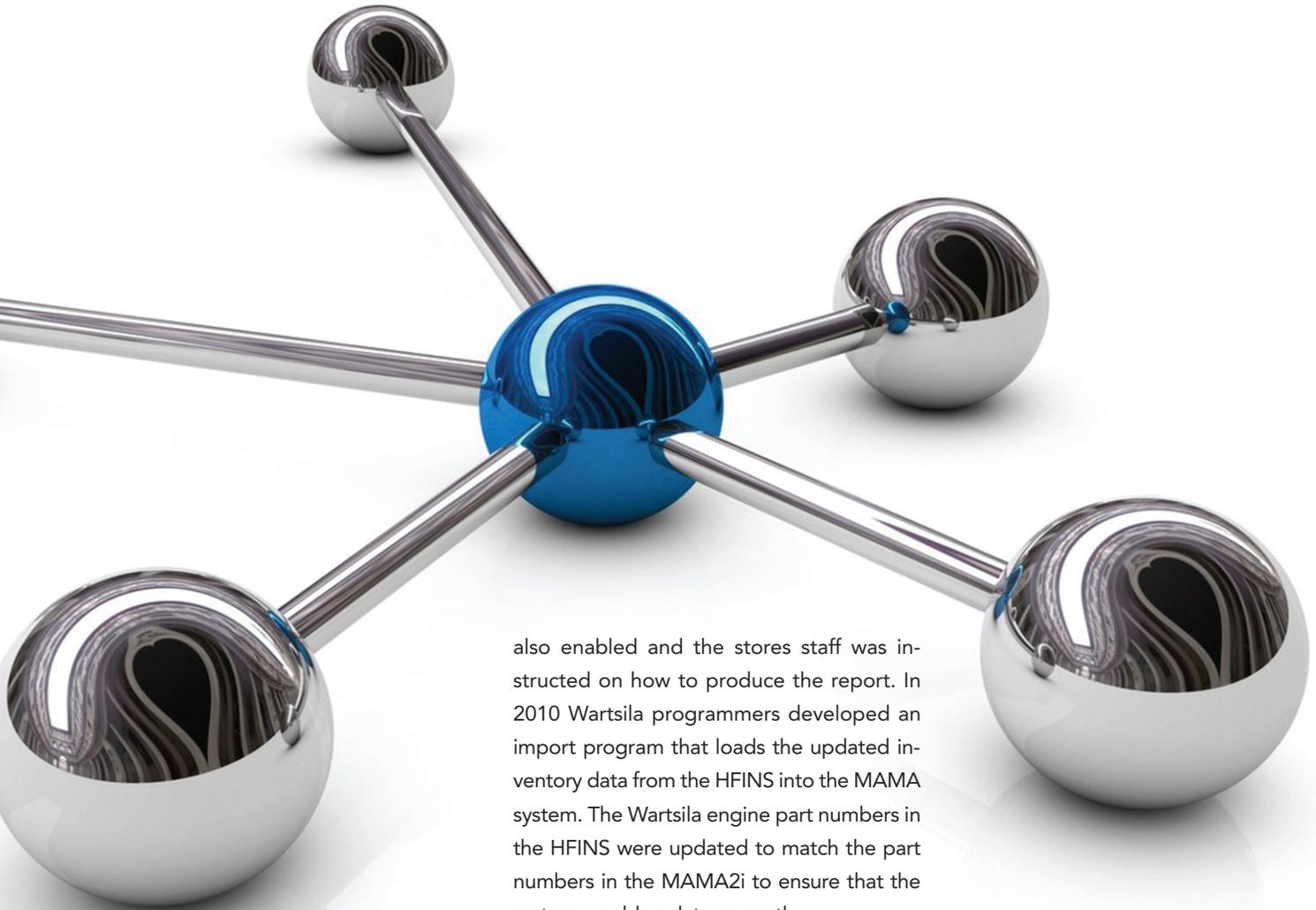
Preparations for the upgrade of the Financial Management System application continued with the conducting of detailed presenta-

tions to the staff of the BVIEC on the features of the new software by the vendor Harris/Northstar. The presentation sessions along with separate meetings with staff were used to develop a list of BVIEC requirements for a modern financial system. Fulfillment of these requirements ensured that any new software installed would contain the specific elements required by the staff of the BVIEC. These elements include report formats and specific program functionality, among others.

In 2011 the Government Department of Information Technology relocated the access point to the territory-wide wireless network in Pockwood Pond in an effort to improve the stability of the system in that area. As an assistance to the DOIT, the BVIEC began the construction of a fiber cable conduit which runs from the access point at the Department of Motor Vehicles' building, across the street to the BVIEC stores and then on to the incinerator. A new ADSL link was installed in Anegada to provide access to the Northstar Customer Information System for the cashiers whenever they visit the island to perform collection of bill payments. The link

remained unstable however, so that system access for the cashiers was unreliable. A leased line circuit between Long Bush and Pockwood Pond was also installed on order to improve the reliability of the network connectivity between the two locations. A new Avaya PBX system was also bought by the Corporation and installed by LIME.

In November 2010 cycle 104 (Duff's Bottom area) was the first cycle to be successfully billed using Advanced Metering Technology. By the end of 2011 all outlying islands were being read by the system thus minimizing the need to send persons by ferry to physically read the meters in those locations. Meter installations in Virgin Gorda were set to be completed early in 2012, however. The installation and commissioning of the Long Bush and Virgin Gorda Substation Communication Equipment (SCE) was actually completed in 2010. In 2011 a data import interface between the Automatic Meter Reading (AMR) system and the Northstar customer billing system was also developed which automatically transferred the meter data between the two systems. New job re-



sponsibilities for the operations of the AMR System were also reviewed.

The I.T. Department designed and implemented a new electronic Local Purchase Order produced by the UltraSys system. This removed the need for a customer service representative to be involved in the requisition process. Several other customizations were also done in the UltraSys system including the removal of the ability to generate a purchase order without the job being approved in the work management section.

The input of the maximum and minimum values in the inventory management software application used by the stores was completed. The item reorder point report was

also enabled and the stores staff was instructed on how to produce the report. In 2010 Wartsila programmers developed an import program that loads the updated inventory data from the HFINS into the MAMA system. The Wartsila engine part numbers in the HFINS were updated to match the part numbers in the MAMA2i to ensure that the system would update correctly.

The beginning of the year saw the completion of the installation of Closed Circuit Surveillance cameras on the grounds of the Pockwood Pond Power station, along with a PC in the security booth for the purpose of monitoring the cameras on the compound. The remote monitoring client was installed on the HODs' computers in Long Bush so that the cameras were also viewable from that location. One DVR (Digital Video Recording) system was relocated to the interior of the stores building.

New personal computers with the new Microsoft operating systems Windows 7 and Windows Server 2008 were deployed in various departments throughout the Corporation. The virtualization features of the Windows 2008 Server system were employed to ex-

pand the e-mail services architecture and also to minimize the need for physical server systems. A disaster recovery strategy for the computerized systems was also developed. New UPS systems were installed to support the systems in the Server Center.

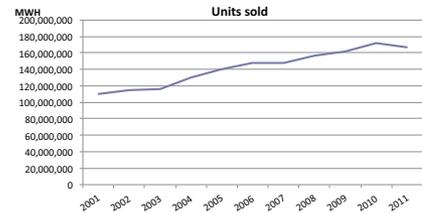
Information Technology Department Initiatives for the year 2012 include:

1. Further Website Development
2. Harris Financials Upgrade
3. Network Security Development – Disaster Recovery
4. Network Infrastructure Upgrade
5. Installation of equipment for Dark Fiber rental
6. Additional Computers/Servers
7. Server Center Renovation

SUMMARY OF STATISTICS

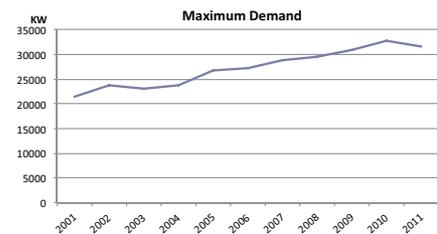
UNITS SOLD

Units sold decreased from approximately 172.1 million units to 166.3 million units in 2011, a decrease of 3.37%.



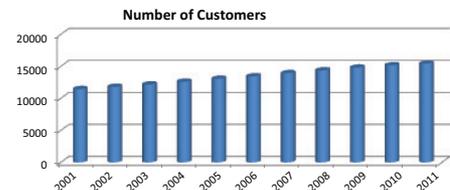
MAXIMUM DEMAND

The maximum demand experienced during 2011 decreased to 31,560 KW, 3.37% less than 2010's maximum demand of 32,660 KW.



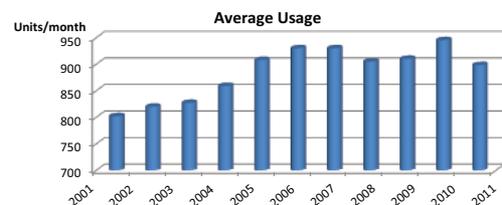
CUSTOMERS

At the end of 2011 there were 13,276 Domestic, 2,194 Commercial, 25 Industrial, and 1 Streetlighting customers on the system. The total number of customers rose from 15,174 in 2010 to 15,496 in 2011, an increase of 2.12%. This year, domestic and commercial customers were responsible for the increase in the total number of new customers.



AVERAGE USAGE

The average usage per customer per month decreased from 945 units to 898 units in 2011, a decrease of 4.96%.



ANNUAL LOAD FACTOR

The Annual Load Factor for 2011 of 69.17%, was slightly higher than 2010's load factor of 68.54%

2011 VEHICLE FLEET

Item	Des.	Number	Type	Year	Section	Location
1	GSB	01	Hyundai Tucson	2011	Administration	Tortola
2	GSB	77	Suzuki Jimni	2010	Meter Reading	Tortola
3	GSB	78	Suzuki Jimni	2010	Meter Reading	Tortola
4	GSB	09	Nissan Frontier	2010	Distribution	Virgin Gorda
5	GSB	43	Suzuki Jimni	2009	Distribution	Tortola
6	GSB	41	Suzuki Jimni	2009	Customer Services	Virgin Gorda
7	GSB	03	Montero Sports Utility	2009	Distribution	Tortola
8	GSB	34	Suzuki Jimni	2009	Customer Services	Tortola
9	GSB	26	Greatwall Deer - Pickup	2007	Generation	Tortola
10	GSB	25	Greatwall Deer - Pickup	2007	Generation	Tortola
11	GSB	05	Greatwall Deer - Pickup	2007	Generation	Tortola
12	GSB	04	Greatwall Deer - Pickup	2007	Generation	Tortola
13	GSB	36	Greatwall Deer - Pickup	2007	Generation	Tortola
14	GSB	24	Chevrolet Colorado Pickup Truck	2006	Distribution	Tortola
15	GSB	30	Chevrolet Colorado X-Cab	2006	Distribution	Tortola
16	GSB	07	Chevrolet Envoy	2005	Administration	Tortola
17	GSB	02	Chevrolet Extra Cab Full Size Pickup Truck	2004	Distribution	Tortola
18	GSB	32	Chevrolet Full Size Pickup Truck	2004	Distribution	Tortola
19	GSB	35	Chevrolet Colorado Pickup Truck	2004	Generation	Tortola
20	GSB	46	Chevrolet Silverado	2004	Distribution	Tortola
21	GSB	48	Chevrolet Silverado	2004	Distribution	Tortola
22	GSB	39	Ford Ranger	2003	Distribution	Tortola
23	GSB	45	Ford Ranger	2003	Distribution	Tortola
24	GSB	29	Chevrolet Colorado X-Cab	2003	Distribution	Tortola
25	GSB	28	Chevrolet Colorado X-Cab	2003	Distribution	Tortola
26	GSB	19	Chevrolet Colorado X-Cab	2003	Generation	Tortola
27	GSB	49	Chevrolet Colorado X-Cab	2003	Meter Reading	Tortola
28	GSB	47	Chevrolet Colorado X-Cab	2003	Generation	Tortola
29	GSB	31	Chevrolet S-10 Pickup Truck	2002	Customer Services	Tortola
30	GSB	06	Chevrolet S-10 Pickup Truck	2002	Customer Services	Tortola
31	GSB	22	Chevrolet S-10 Pickup Truck	2002	Customer Services	Tortola
32	GSB	27	Chevrolet Full Size Pickup Truck	2002	Distribution	Tortola
33	GSB	37	Chevrolet Full Size Pickup Truck	2002	Generation	Tortola
34	GSB	17	Ford F450	2002	Distribution	Tortola
35	GSB	11	Chevrolet Pickup 2500HD	2001	Distribution	Tortola
36	GSB	13	Ford Bucket Truck	2001	Distribution	Virgin Gorda
37	GSB	16	Ford Bucket Truck	2001	Distribution	Virgin Gorda
38	GSB	38	2000 Suzuki Vitara	2000	Administration	Tortola
39	GSB	14	Ford F550 Bucket Truck	2000	Distribution	Tortola
40	GSB	40	Chevrolet CK 2500	2000	Distribution	Virgin Gorda
41	GSB	33	Mitsubishi Montero	1999	Administration	Tortola
42	GSB	20	Chevrolet Pick Up	1999	Distribution	Tortola
43	GSB	08	Chevrolet Pickup	1999	Distribution	Tortola
44	GSB	21	Chevrolet S-10 Pickup Truck	1999	Stores and Purchasing	Tortola
45	GSB	23	Mazda Pickup Truck	1998	Customer Services	Tortola
46	GSB	10	Mitsubishi Montero	1997	Distribution	Tortola
47	GSB	12	Chevrolet Bucket Truck	1994	Distribution	Tortola
48	GSB	42	Mitsubishi Montero	1993	Distribution	Tortola
49	GSB	18	Chevrolet Full Size Pick-Up	1991	Generation	Tortola
50	GSB	15	Ford Bucket Truck F350	1990	Distribution	Tortola

2011 ANNUAL REPORT

STATISTICAL DATA

STATISTICS

STREET LIGHTING

Island	Type of Fixture	Quantity	Wattage
Tortola	Mercury	954	166,950
	Sodium	1,248	187,200
	Urbis	283	26,290
	Tungsten	2	200
Total		2,487	380,640
Virgin Gorda	Mercury	111	19,425
	Sodium	205	30,750
	Urbis	1	70
Total		317	50,245
Jost Van Dyke	Mercury	16	2,800
	Sodium	88	13,200
	Urbis	1	70
Total		105	16,070
Anegada	Mercury	85	14,875
	Sodium	25	3,750
Total		110	18,625
Grand Total		3,019	465,580

TRANSMISSION & DISTRIBUTION NETWORK

TRANSMISSION & DISTRIBUTION NETWORK		2011	2010
34.5 KV Underground Cable	Miles	10.67	10.67
13.2 KV Overhead Lines	Miles	207.03	195.81
13.2 KV Underground Cable	Miles	45.72	45.43
13.2 KV Submarine Cable	Miles	32	32
34.5 KV Overhead Cable (Double Circuit)	Miles	2.28	2.28
34.5 KV Submarine Cable (Double Circuit)	Miles	19.88	19.88
LV Overhead Lines	Miles	221.26	218.27
LV Underground Cables	Miles	70.88	68.89
No. of Transformers	No.	2095	2062
Total Transformer Capacity	KVA	133832.5	129083.5
Average Size of Transformers	KVA	63.88186158	62.60111542

TRANSMISSION & DISTRIBUTION NETWORK ANEGADA

TRANSMISSION & DISTRIBUTION NETWORK		2011	2010
13.2 KV Overhead Lines	Miles	16.05	16.05
13.2 KV Underground Cable	Miles	0.09	0.09
LV Overhead Lines	Miles	9.28	9.24
LV Underground Cables	Miles	0.56	0.56
No. of Transformers	No.	61	61
Total Transformer Capacity	KVA	2011.5	2011.5
Average Size of Transformers	KVA	32.98	32.98
Streetlights -	a) No.	110	110
	b) Wattage	W	17250

MAIN NETWORK

GENERATION		2011	2010
Installed Generating Capacity	KW	45,774	45,774
Generating Voltage LBPS	KV	13.2	13.2
Generating Voltage PPPS	KV	3.3/6.6/13.2	3.3/6.6/13.2
Transmission Voltage	KV	13.2/34.5	13.2/34.5
System Maximum Demand	KW	31,560	32,660
Units Generated	KWH	191,226,962	196,102,806
Annual Load Factor	%	0.476898717	0.489058528
Units sent out	KWH		
Fuel (used)	US Gals.	12,935,586	13,499,029
Total cost of Fuel	US\$	40,351,984	30,809,657
Average Cost of Fuel (US Gal.)	Cents	3.119455	2.254616743
Fuel Required to Generate 1 Unit	US Gals.	0.067645	0.068836491
TRANSMISSION & DISTRIBUTION NETWORK		2011	2010
34.5 KV Underground Cable	Miles	10.67	10.67
13.2 KV Overhead Lines	Miles	207.03	195.81
13.2 KV Underground Cable	Miles	45.72	45.43
13.2 KV Submarine Cable	Miles	32	32
34.5 KV Overhead Cable (Double Circuit)	Miles	2.28	2.28
34.5 KV Submarine Cable (Double Circuit)	Miles	19.88	19.88
LV Overhead Lines	Miles	221.26	218.27
LV Underground Cables	Miles	70.88	68.89
No. of Transformers	No.	2095	2062
Total Transformer Capacity	KVA	133832.5	129083.5
Average Size of Transformers	KVA	63.88186	62.60112
CUSTOMERS & SALES		2011	2010
Customers at 31st December	No.	15,428	15,174
Units Sold	KWH	166,315,292	172,120,750
Average units / customers / month	KWH	898.3411762	945.2613571
Total Revenue	\$	65,202,885	55,994,440
Revenue / Unit Metered	\$/KWH	0.39204	0.32532 Total
Operating Expenditure	US\$	61,213,637	53,997,853
Cost / Unit Metered	US\$/KWH	0.36806	0.31372
Estimated Population of Territory	No.	28,037	28,037

ANEGADA

GENERATION		2011	2010
Installed Capacity	KW	1,330	1,330
Generating Voltage	KV	0.48	0.48
Transmission Voltage	KV	13.2	13.2
Maximum Demand	KW	Not Available	Not Available
Total Units Generated	KWH	1,759,346	1,721,690
Fuel (used)	US Gals.	160,107	159,326
Total cost of Fuel	US\$	551,862.55	420,438.65
Average Cost of Fuel (US Gal.)	\$US Gal.	3.45	2.64
Fuel Required to Generate 1 Unit)	US Gals.	0.09100	0.09254

TRANSMISSION & DISTRIBUTION NETWORK		2011	2010
13.2 KV Overhead Lines	Miles	16.05	16.05
13.2 KV Underground Cable	Miles	0.09	0.09
LV Overhead Lines	Miles	9.28	9.24
LV Underground Cables	Miles	0.56	0.56
No. of Transformers	No.	61	61
Total Transformer Capacity	KVA	2011.5	2011.5
Average Size of Transformers	KVA	32.98	32.98
Streetlights - a) No.		110	110
b) Wattage	W	17250	17250

CUSTOMERS & SALES		2011	2010
Customers at 31st December	No.	189	185
Units Sold	KWH	1,306,176	1,335,723
Average units / customers / month	KWH	575.92	601.68
Total Revenue	\$	517,379.06	456,542.81
Revenue / Unit Metered	\$/KWH	0.3961	0.3873
Total Operating Expenditure	US\$	705,620.71	568,988.68
Cost / Unit Metered	US\$/KWH	0.540218707	0.528268743
Estimated Population of Territory	No.	303	303
Units/head of population / month	KWH	359.23	367.36
Streetlights - a) No.		110	110
b) Wattage	W	17250	17250

GENERATING SETS

Units	Long Bush				Pockwood Pond							
	10	11	14		1	2	3	4	5	6	7	8
Installed KVA	2927	3210	2050		3891	3891	6875	6875	6875	6875	6875	6875
Installed KW	2342	2568	1640		3112	3112	5500	5500	5500	5500	5500	5500
Effective KW	2000	2300	1550		3100	3100	5500	5500	5500	5500	5500	5500
Engine Mfr.	Ruston	Mirrlees	Mirrlees		Mirrlees	Mirrlees	Wartsila	Wartsilla	Wartsilla	Wartsilla	Wartsilla	Wartsilla
Engine Model	12ATC	K6MK11	ESL12MK2		KMAJMK3	KMAJMK3	9L38	9L38	9L38	9L38	9L38	9L38
Engine Speed rpm	600	600	900		600	600	600	600	600	600	600	600
Alternator	Brush	Brush	Brush		Brush	Brush	ABB	ABB	ABB	ABB	ABB	ABB
Generating Voltage	13200	13200	13200		3300	3300	6600	6600	6600	6600	6600	6600
Installation year	1981	1983	1988		1990	1990	1995	1995	2007	2007	2006	2006
Commissioned	Dec.	Dec.	May.		Sep.	Sep.	Nov.	Dec.	March.	April.	Sep.	Aug.
Age in years	29.08	27.08	22.67		20.34	20.34	15.17	15.08	4.83	4.75	5.33	5.42
Hours run to	31,804	12,507	47,223		90,789	104,733	113,273	111,828	36,611	36,568	39,611	38,067

TABLES

Generation and Sales Statistics 2002 - 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Units Generated (MWh)	139,009	138,895	146,034	158,303	166,166	179,434	180,080	186,675	196,103	191,227
Annual Increase (%)	13.10%	-0.08%	5.14%	8.40%	4.97%	7.98%	0.36%	3.66%	5.05%	-2.49%
Units Sent Out (MWh)	134,196	131,020	135,462	145,406	152,873	168,333	173,168	180,111	188,458	186,452
Annual Increase (%)	11.88%	-2.37%	3.39%	7.34%	5.14%	10.11%	2.87%	4.01%	4.63%	-1.06%
Units Sold (MWh)	115,377.40	120,541	129,447	140,315	148,097	155,552	156,100	161,775	172,121	166,315
Annual Increase (%)	4.76%	4.48%	7.39%	8.40%	5.55%	5.03%	0.35%	3.64%	6.39%	-3.37%
Loss % Net Generation	14.02%	8.00%	4.44%	3.50%	3.12%	7.59%	9.86%	10.18%	8.67%	10.80%
Max. Demand (KW)	23,870	23,080	23,840	26,750	27,240	28,840	29,510	31,020	32,660	31,560
Annual Increase (%)	11.86%	-3.31%	3.29%	12.21%	1.83%	5.87%	2.32%	5.12%	5.29%	-3.37%
System Load Factor (%)	66.3	68.51	69.74	64.8	64.67	66.63	66.99	66.28	65.87	66.63
(generated basis)										
Customers at Year End	11,807	12,172	12,610	13,068	13,438	13,940	14,376	14,813	15,174	15,428
(%) Increase	3.15%	3.09%	3.60%	3.63%	2.83%	3.74%	3.13%	3.04%	2.44%	1.67%

Units Generated at Pockwood Pond and Long Bush Power Stations 2002 - 2011

Months	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
January	10,639	10,179	11,705	12,004	12,972	14,115	14,612	14,557	16,107	15,669
February	9,478	11,007	11,055	10,929	11,577	13,057	13,946	13,349	15,267	14,525
March	10,796	11,130	11,594	13,342	13,502	13,973	14,494	17,175	14,474	15,708
April	10,376	10,971	12,039	13,287	13,400	14,363	14,759	14,976	16,495	15,506
May	10,200	11,879	41,523	13,405	14,484	15,942	16,305	15,572	17,268	16,156
June	12,642	11,513	12,804	14,262	14,403	15,709	15,894	15,847	17,141	16,770
July	13,376	12,617	13,373	14,418	14,785	16,538	16,648	17,204	17,403	17,206
August	11,588	12,231	12,826	13,575	14,250	15,600	15,356	16,553	16,377	15,937
September	12,331	11,320	11,654	13,315	12,941	14,822	14,587	15,252	15,629	15,546
October	13,103	12,364	12,395	13,091	14,589	15,400	14,570	16,381	15,199	16,812
November	12,917	11,569	11,861	13,444	14,702	14,714	14,417	16,148	16,459	15,734
December	11,561	12,117	12,460	13,230	14,560	15,200	14,491	16,363	15,581	15,659
Total	139,007	138,897	146,034	158,303	166,166	179,433	180,079	186,675	196,103	191,227

The BVI Beacon

Thursday, February 3, 2011 |

The light that comes from wisdom never goes out.

| bvibeacon.com | 50 cents

Minister: Tender issued for external hospital work

Updates given on
other projects

By **CHRYSTALL KANYUCK**
ckanyuck@bvibeacon.com

Work on the new hospital is making “steady progress” after an “interruption” that Health and Social Development Minister Dancia Penn called “in the best long-term interests of the people of this country.”

Ms. Penn gave an update on various policy and capital projects within her ministry Tuesday morning, but it was clear that progress on the hospital was of top concern.

“It’s a matter of much interest and importance to us all, and rightly so,” Ms. Penn said, later adding that the new hospital “remains a project of the highest priority to the entire government.”

Testing of the internal workings of the hospital — the mechanical, electrical, plumbing, fire safety and medical gases systems — was

Updates see page 11



INSIDE

Beacon Business.....12

Vol. 27 No. 35 - 2 sections, 44 pages
Road Town, Tortola,
British Virgin Islands

© 2001, The BVI BEACON

BVIEC readies for plant expansion

Officials: Project
needed to help
supply Biwater

By **JASON SMITH**
jsmith@bvibeacon.com

BVI Electricity Corporation officials received three bids Friday from foreign companies vying for a piece of a multimillion-dollar project to expand the territory’s capacity to generate electricity.

BVIEC officials opened the three bids in front of the bidders and members of the media. The Phase V Development Project will entail installing one additional eight-megawatt generating set; expanding the Pockwood

Pond Power Station building; and laying an additional 34,500-kilovolt cable between that station and the Long Bush Power Station.

The expansion was divided into two contracts: one for transmission and distribution, and one for the power plant.

For the transmission and distribution project, the lowest bid, \$2.85 million, came from K-Line International Canada Ltd. The United Kingdom-based Interserve Industrial Services Ltd. bid \$3.96 million for the same project.

However, K-Line’s low bid doesn’t automatically mean the company will get the contract, according to Leroy Abraham, BVIEC’s general manager.

BVIEC see page 7



Photo: JASON SMITH

BVI Electricity Corporation Vice-Chairman Edison O’Neal, left, and Leroy Abraham, the BVIEC’s general manager, open a box containing a tender bid on Friday.

Customs Week visits educate students

School visits, ball
among activities

By **NGOVOU GYANG**
ngyang@bvibeacon.com

Students at Leonora Delville Primary School spent Friday morning listening to customs officers explain their profession as part of the territory’s annual Customs Week celebrations.

During the presentation, students learned about how people smuggle drugs, among other topics.

“You lie,” Malvern Wyke exclaimed when customs officer Frenchie Gumbs showed students a water bottle someone had used in an attempt to bring drugs into the territory.

Most of the students gave the officer their undivided attention as he talked, and some of them asked questions.

Customs see page 22



Photo: NGOVOU GYANG

Customs officer Karl Benjamin demonstrates a search on a Leonora Delville Primary School teacher on Friday. School visits were among several activities for Customs Week, which concluded on Saturday.

Residents can now pay electricity bill online

BVIEC unveils
new initiative

By **CHRYSTALL KANYUCK**
ckanyuck@bvibeacon.com

Starting this week, residents can skip their monthly visit to the BVI Electricity Corporation – and the

wait in line – when paying their electricity bill, announced BVIEC General Manager Leroy Abraham.

Customers can now visit www.bvielectricity.com and pay their bill online, Mr. Abraham said at a press conference at the BVIEC's Long Bush office Monday morning. Customers can also view their bill,

scheduled outages and the service disconnection schedule.

Mr. Abraham said the programme probably should have started years ago, especially given the growth in the number of customers.

The utility corporation sought to make the website as easy to use as possible, and the

bill-paying portion of the site will be familiar to anyone who has used the web to do online shopping, Mr. Abraham said.

"The process of making your payments online is secure and no different to any other e-commerce transaction which you may have already performed, such as purchasing an airline ticket, making a hotel booking, or paying your loans online," he said.

Customers can pay online with any credit card or ATM card that has a Visa logo, and BVIEC has collected \$6,000 in customer bills since site testing began about a month ago, Mr. Abraham said.

To view information about their own account or to pay bills, customers need to set up a username and password, and enter the address and account information as it's printed on the BVIEC paper bill. Once the account is set up, customers can view "the very same information that we have access to in our office," Mr. Abraham said.

BVIEC scheduled three sessions to assist customers using the new site. The first was to be held yesterday, the others from 5-6 p.m. on Oct. 20 and 27. More sessions are planned for the lab at H. Lavity Stoutt Community College, but aren't scheduled yet.

Mr. Abraham urged residents to use the site.

"It allows you to pay your bills online, which saves you time and allows you to pay your bill at your convenience," he said, adding, "You are no longer restricted to our operating hours."

Shut-offs

There is one exception, however, according to the new system's developer, Hector Cruz: Reconnect fees have to be paid in person. To avoid having power shut off, customers need to pay their bill three days prior to the shut-off date scheduled for their area, Mr. Abraham said.

The general manager mostly focused on the added convenience the website will bring to BVIEC customers, but he added that it will make things easier for the corporation, too. He said he especially hopes the new site will help avoid having to disconnect customers who haven't paid their bill.

"It's a process that neither the customer nor the Electricity Corporation likes to do, because it re-



Photo: **CHRYSTALL KANYUCK**

BVI Electricity Corporation General Manager Leroy Abraham speaks at the launch of the new BVIEC website, which allows customers to view and pay their bill online.

quires the resources to send someone," Mr. Abraham said. "We can use those resources in other ways as opposed to sending someone out to do it."

Future plans

Customers can't use their mobile phones to access the site or pay bills yet, but that function is "coming soon," said Kelvin Eubanks, team manager at BVIEC, who spoke about the site's features at the launch.

Similarly, e-mails instead of paper notices for bills or shut-off notifications are part of the BVIEC's future plans, said Mr. Abraham, who added that many customers have been reluctant to provide information such as e-mail addresses so far.

Eventually, customers will be able to submit their comments about the BVIEC and the website via a feedback form on the site, Mr. Abraham said.

The corporation continues to install electronic meters that allow BVIEC staff members to view customer usage from the office, rather than having to look at the meter itself.

"Right now we have approximately 4-5,000 of those smart meters on the system," Mr. Abraham said, adding that all the meters on Jost Van Dyke are read remotely. The new meters are the first step in allowing customers to view their electricity use on a daily basis.

LIME

Join the LIME Team

RESPECT. DELIVER. INNOVATE. WIN.

LIME. For living. Everyday.

www.lime.com

LIME seeks to employ an excellent communicator with good interpersonal skills to fill the role of **Personal Assistant**.

The successful candidate will be providing high level administrative support to the General Manager.

What are we looking for?

- Post Secondary qualification preferably in the area of Business Administration.
- At least five (5) years' experience as an office administrator or similar role
- A minimum of three (3) years senior administrative support experience including the organization of a busy diary.

Responsibilities include:

- Set the tone in the office through a high standard of efficiency in handling tasks, dealing with people, and creating a general professional atmosphere.
- Maintain control of files and office documents and ensures that they are properly secured.
- Arrange travel bookings and prepare travel itineraries as per the company's travel policy.
- Organize appointments and meetings for the executive.
- Examine incoming correspondence, determine action required, set priorities, and coordinate response.
- Prepare as directed or on own initiative, less complex correspondence in relation to the functions of the office.
- Respond to queries, inform the executive of important developments and follow-up to ensure that the required action is taken.
- Screen correspondence, calls and appointments that do not necessarily need the executive's direct attention
- Assist the Country Manager in the matters relating to staff motivation, development and performance.

Interested persons should submit a resume along with a covering letter no later than October 28, 2011 to recruit@lime.com or fax to: 1-876-920-9336



AUDITOR'S REPORT

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Financial Statements for the year
ended December 31, 2011
and Independent Auditor's report



OFFICE OF THE AUDITOR GENERAL GOVERNMENT OF THE VIRGIN ISLANDS

PO Box 174, Road Town, Tortola, British Virgin Islands
Telephone: (284) 468-4144, Facsimile: (284) 468-4148

To: The Chairman, Members and Shareholder
British Virgin Islands Electricity Corporation

Audit Certificate **Financial Statements for the Year Ended December 31, 2011**

I hereby certify that, in accordance with Section 21(3) of the British Virgin Islands Electricity Corporation Ordinance, CAP. 277, the accounts of the Corporation for the year ended December 31, 2011 as attached hereto have been examined.

The audit examination was carried out on my behalf by the firm of certified accountants, Deloitte and Touche, as provided for under Section 21(b) of the Audit Act 2003. The audit was conducted in accordance with International Standards on Auditing, which require that the audit be planned and performed to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of judgments made by management in the preparation of financial statements.

I have received all the information and explanations which to the best of my knowledge and belief were necessary, and the Corporation has complied with the financial provisions of the British Virgin Islands Electricity Corporation Ordinance, with which it is the duty of the Corporation to comply including the maintenance of proper accounting and related records.

Based on the report submitted by the firm of chartered accountants, in my opinion the financial statements present fairly in all material respects the financial position of the British Virgin Islands Electricity Corporation as at December 31, 2011 and the results of its operations for the year then ended in conformity with International Accounting Standards applied on the basis consistent with the preceding year.

Sonia M. Webster
Auditor General

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

**British Virgin Islands Electricity Corporation Directory
At December 31, 2011**

Board of Directors

Chairman

Mr. Allan Parker

Vice Chairman

Mr. Norbert Edison O'Neal (Until September 30, 2011)

Members

Ms. Pearl Smith

Mr. Wayne A. Robinson

Mr. Ira Oliver Skelton

Mr. John Rhymer

Ex-officio members

Mr. Leroy A. E. Abraham (General Manager)

Ms. Arlene Smith (Ag. Permanent Secretary – Ministry of Communication and Works)

Registered Office

Long Bush

P.O. Box 268

Road Town,

Tortola, VG 1110

British Virgin Islands

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011	
Statement of financial position	2
Statement of comprehensive income	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6 – 25
Schedule to the financial statements - Expenses	26 – 28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholder of

British Virgin Islands Electricity Corporation

We have audited the accompanying financial statements of the British Virgin Islands Electricity Corporation (the "Corporation") which comprise the statement of financial position as of December 31, 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal controls management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2011 and the results of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte + Touche Services Ltd.

December 3, 2013

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2011
(Expressed in United States dollars)

	Note	2011	2010
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 3,511,650	\$ 3,659,214
Trade and other receivables	5	15,732,128	10,658,089
Inventories	6	9,765,340	8,331,250
Total current assets		29,009,118	22,648,553
Non-current assets			
Property, plant and equipment	7	50,985,560	54,121,309
Total assets		\$ 79,994,678	\$ 76,769,862
EQUITY AND LIABILITIES			
Capital and reserve			
Share capital	8	\$ 7,052,465	\$ 7,052,465
Contributed surplus	8	9,661,763	9,661,763
Retained earnings		26,968,591	24,025,136
Total equity		43,682,819	40,739,364
Current liabilities			
Trade and other payables	9	5,551,156	3,918,215
Borrowings	10	2,000,532	2,000,532
Customer deposits		2,406,318	2,564,516
Total current liabilities		9,958,006	8,483,263
Non-current liabilities			
Borrowings	10	15,504,137	17,504,669
Pension fund liability	11	3,130,289	2,828,551
Deferred capital receipts	12	7,719,427	7,214,015
Total non-current liabilities		26,353,853	27,547,235
Total liabilities		36,311,859	36,030,498
Total liabilities and shareholder's equity		\$ 79,994,678	\$ 76,769,862

APPROVED BY THE BOARD OF DIRECTORS:



 Chairman



 General Manager

Oct. 31 2013

 Date Approved

OCTOBER 31, 2013

 Date Approved

See notes to the financial statements

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

	Note	2011	2010
REVENUE			
Sale of electricity	13	\$ 65,202,885	\$ 55,807,880
Sale of water		27,850	4,984
Other income		176,395	181,576
		<u>65,407,130</u>	<u>55,994,440</u>
COST OF SALE			
Cost of sale of electricity		40,351,984	30,809,657
		<u>25,055,146</u>	<u>25,184,783</u>
GROSS PROFIT			
EXPENSES			
Generation		7,391,390	9,168,782
Depreciation	7	4,576,659	4,879,538
Transmission and distribution		3,882,512	4,613,155
Human resource and administrative		2,461,402	2,059,914
Finance		1,354,419	1,165,211
Customer services and meter reading		901,994	1,019,036
Information technology		535,639	445,505
Desalination		170,718	211,234
Vehicles		222,211	196,875
Other expenses		206,066	239,272
Release of deferred capital receipts	12	(841,357)	(810,326)
		<u>20,861,653</u>	<u>23,188,196</u>
OPERATING PROFIT			
		4,193,493	1,996,587
Interest expense		(1,263,949)	(1,345,053)
Interest income		41,449	54,760
Foreign exchange (loss)/gain		(34,238)	4,962
Gain on disposal of property, plant and equipment		6,700	-
		<u>\$ 2,943,455</u>	<u>\$ 711,256</u>

See notes to the financial statements

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

	Note	Share capital	Contributed surplus	Retained earnings	Total equity
Balance at January 1, 2010		\$ 7,052,465	\$ 12,611,763	\$ 23,313,880	\$ 42,978,108
Profit for the year		-	-	711,256	711,256
Additional contributed surplus		-	1,180,000	-	1,180,000
Repayment of contributed surplus		-	(4,130,000)	-	(4,130,000)
Balance at December 31, 2010	8	7,052,465	9,661,763	24,025,136	40,739,364
Profit for the year		-	-	2,943,455	2,943,455
Balance at December 31, 2011	8	\$ 7,052,465	\$ 9,661,763	\$ 26,968,591	\$ 43,682,819

See notes to the financial statements

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	\$ 2,943,455	\$ 711,256
<i>Adjustments for</i>		
Depreciation	4,576,659	4,879,538
Interest expense	1,263,949	1,345,053
Interest income	(41,449)	(54,760)
Foreign exchange loss/(gain)	34,238	(4,962)
Gain on disposal of property, plant and equipment	(6,700)	-
Operating profit before working capital changes	8,770,152	6,876,125
(Increase)/decrease in trade and other receivables	(5,074,039)	4,060,220
Increase in inventories	(1,434,090)	(987,675)
Increase in bank overdraft	-	215,431
Increase/(decrease) in trade and other payables	1,632,941	(1,283,499)
Decrease in deferred revenue receipts	-	(465,772)
Decrease in customer deposits	(158,198)	(149,467)
Increase in pension fund liability	301,738	149,252
Increase in deferred capital receipts	505,412	766,360
Net cash provided by operating activities	4,543,916	9,180,975
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	6,700	-
Payment for purchase of property, plant and equipment	(1,440,910)	(1,661,273)
Interest received	41,449	54,760
Net cash used in investing activities	(1,392,761)	(1,606,513)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,000,532)	(2,000,532)
Receipt of contributed surplus	-	1,180,000
Repayment of contributed surplus	-	(4,130,000)
Interest paid	(1,263,949)	(1,345,053)
Net cash used in financing activities	(3,264,481)	(6,295,585)
INCREASE IN CASH AND CASH EQUIVALENTS	(113,326)	1,278,877
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,659,214	2,375,375
Effect of exchange rate fluctuations on cash and cash equivalents	(34,238)	4,962
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,511,650	\$ 3,659,214
Cash and cash equivalents comprise the following items:		
Bank and cash balances	\$ 1,295,937	\$ 1,151,673
Short term deposits	2,215,713	2,507,541
	\$ 3,511,650	\$ 3,659,214

See notes to the financial statements

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

1. GENERAL INFORMATION

The British Virgin Islands Electricity Corporation (the "Corporation") is a corporate body established in the British Virgin Islands under the Electricity Corporation Act, 1978 (the "Act") and is wholly owned by the Government of the British Virgin Islands (the "Government"). The principal activities of the Corporation are the generation, transmission, supply, distribution and sale of electricity within the British Virgin Islands. The financial records and statements are maintained and presented in United States ("US") dollars.

These financial statements were approved by the Board of Directors (the "Board") and authorised for issue on October 31, 2013.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Standards and amendments to existing standards effective for the financial year beginning January 1, 2011

During the year, the Corporation adopted the following new amendments to standards in the preparation of the financial statements:

- *Amendments to IAS 24 Related party disclosures* – The amendments have been revised on the following two aspects: (a) the definition of a related party and (b) introduction of a partial exemption from the disclosure requirements for government-related entities.
- *Amendments to IFRS 7 Financial instruments: Disclosures* – This amendment was part of the International Accounting Standards Board's ("IASBs") annual improvement project published in May 2010. The amendment emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.
- Amendments resulting from May 2010 Annual Improvements to IFRSs. Improvements to IFRS comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual standards.

Most of the amendments are effective for annual periods beginning on or after January 1, 2011. No material changes to accounting policies are expected as a result of these amendments.

The adoption of these amendments did not have a significant impact on the Corporation's financial statements and did not result in any changes in the measurement or disclosure of amounts reported for the current or prior financial periods.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Corporation.

New standards and amendments issued but not effective for the financial year beginning January 1, 2011 and not early adopted

A number of new standards and amendments to standards and interpretations that have been issued to date are not yet effective for the financial statements of the Corporation for the year ended December 31, 2011, and have not been applied nor early adopted in preparing the financial statements. The standards and amendments issued but not yet effective at the date of the issuance of the Corporation's financial statements are listed below:

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

Standard:	Description:	Effective Date Annual periods beginning on or after
IAS 1 (amendment)	Amendments to revise the way other comprehensive income is presented	July 1, 2012
IAS 19 (amendment)	Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits project.	January 1, 2013
IFRS 7 (amendment)	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
IFRS 7 (amendment)	Financial Instruments: Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 1, 2013
IFRS 7 (amendment)	Financial Instruments: Disclosures – Amendments requiring disclosures about the initial application of IFRS 9	January 1, 2015
IFRS 9	Financial Instruments: Classification and measurement of financial assets and accounting for financial liabilities and derecognition	January 1, 2015

The following is an outline of the significant new standards and amendments which may have an impact on the Corporation when adopted.

- *Amendments to IAS 1 Presentation of Financial Statements* – The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

- *Amendments to IAS 19 Employee Benefits* – The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relate to the accounting for changes in defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligation and fair value plan assets when they occur, and hence eliminate the 'corridor approach' permitted under previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013 and require retrospective application with certain exceptions. The Board anticipate that the amendments to IAS 19 will be adopted in the financial statements for the annual period beginning January 1, 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Corporation's defined benefit plan. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

- *Amendments to IFRS 7 Financial Instruments: Disclosures* – The amendment enhances disclosures about transfers of financial assets. It requires an entity to disclose information that enables users of its financial statements (i) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and ii) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets. The required disclosure for transferred financial assets that are not derecognised in their entirety include description of the nature of the transferred assets, nature of risk and rewards as well as description of the nature and quantitative disclosure depicting relationship between transferred financial assets and the associated liabilities.

For transferred financial assets that are derecognised in their entirety, required disclosures include the carrying amount of the assets and liabilities recognised, fair value of the assets and liabilities that represent continuing involvement, maximum exposure to loss from the continuing involvement as well as maturity analysis of the undiscounted cash flows to repurchase the derecognised financial assets. Additional disclosures are required for any gain or loss recognised at the date of transfer of the assets, income or expenses recognised from the entity's continuing involvement in the derecognised financial assets as well as details of uneven distribution of proceeds from transfer activity throughout the reporting period. This new standard will be effective for periods beginning on or after July 1, 2011. The Board anticipates that this standard will be adopted in the Corporation's financial statements for the year beginning January 1, 2012 but has not yet assessed the potential impact of adoption.

- *IFRS 9 Financial Instruments* – The new standard, which is intended to *replace IAS 39 Financial Instruments: Recognition and Measurement*, enhances the ability of investors and other users to understand the accounting of financial assets and reduces complexity. IFRS 9 uses a single approach to determine whether financial assets are measured at amortised cost or fair value, based on how they are managed and the contractual cash flow characteristics of the financial asset. IFRS 9 also requires a single impairment method to be used. IFRS 9 was expanded during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting.

This new standard will be effective for periods beginning on or after January 1, 2015 with early adoption being permitted. IFRS 9 is required to be applied retrospectively. If the standard is adopted prior to January 1, 2012 the Corporation will be exempt from the requirement to restate prior period comparative information. The Board anticipates that this standard will be adopted in the Corporation's financial statements for the year beginning January 1, 2015 and anticipates that it will change the classification of financial assets but has not yet assessed the potential impact of adoption.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Basis of preparation

The Corporation has elected to present a single statement of comprehensive income. The Corporation does not have separate components of other comprehensive income, and as such, comprehensive income is equal to the profit/(loss) reported for all periods presented.

The financial statements have been prepared on the historical cost basis and do not take into account changes in the market value of assets. The accounting policies have been applied consistently throughout December 31, 2011 and the principal accounting policies are set out below.

Foreign currency translation

The financial statements are presented in US dollars, which is both the presentation and the functional currency. Transactions in currencies other than the Corporation's functional currency ("foreign currencies") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise. Net gains or losses from assets or liabilities denominated in foreign currencies are reported separately in the statement of comprehensive income within "Foreign exchange gains or losses".

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application on accounting policies and the reported amounts of assets and liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of the financial statements reported during the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Financial instruments

Classification

The Corporation classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities or terms greater than twelve months after the reporting date. These are classified as non-current assets.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

Specific financial instruments

Cash and cash equivalents – The Corporation considers cash and short-term deposits with a maturity of less than three (3) months to be cash and cash equivalents.

Trade and other receivables – Trade and other receivables are recorded at invoiced amounts based on meter readings reduced by any appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade and other receivables is established when there is evidence that the Corporation will not be able to collect the amounts due. The Corporation primarily uses the specific identification method to determine if the receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income.

Specific allowances are also established on a case-by-case basis by management. The Corporation writes off accounts receivable when they become uncollectible. Actual bad debts, when determined, reduce the allowance, the adequacy of which management then reassesses. The Corporation writes off accounts after a determination by management that the amounts at issue are no longer likely to be collected, following the exercise of reasonable collection efforts and upon management's determination that the costs of pursuing collection outweigh the likelihood of recovery.

Trade and other payables – Trade and other payables are stated at their cost. No interest is charged on trade and other payables.

Bank borrowings – Interest bearing bank loans and overdrafts are initially measured at fair value, and subsequently measured at amortised cost using the effective interest rate method.

Equity instruments – An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership of the asset to another entity. The Corporation derecognises financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or expired.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory is based on weighted average cost principle, and includes expenditure incurred in acquiring the inventories and other cost incurred in bringing them to their existing location and condition. As items of inventories are used by the Corporation, they are transferred to property, plant and equipment or expensed as repairs and maintenance, as appropriate.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and amortisation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, and includes the purchase price, import duties, taxes and any directly attributable cost to bring the assets to the working condition and location for their intended use. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Corporation. On-going repairs and maintenance are expensed as incurred.

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Land and buildings	20-40 years
Generating plants and equipment	8-25 years
Distribution and transmission equipment	5-25 years
Motor vehicles	4 years
Computer and other equipment	5 years
Furniture and fittings	8 years

Freehold land is not depreciated where the cost is distinguishable from the cost of buildings.

When an asset is sold or disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is reflected in current operations.

Work in progress which includes construction in progress and equipment under installation is stated at cost and includes cost of construction, equipment, and other direct costs. Borrowing costs that are directly attributable to the construction of property and equipment are capitalised during the construction period. Construction in progress and equipment under installation are not depreciated until such time as the relevant assets are completed and put into operational use.

Impairment of assets

The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is estimated as the greater of an asset's net selling price and value in use. The impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down or allowance is reversed through the statement of comprehensive income.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

An impairment loss is reversed only to extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Revenue and expenditure recognition

Revenue derived from the sale of electricity is recognised based on meter readings which are billed to customers on a monthly basis. In addition, the Corporation takes into account an estimated amount, which represents consumption for the days unread at the end of the year.

Interest and other income are recognised as they accrue. Expenses are recorded on the accrual basis as incurred.

Borrowing costs

Borrowing costs are capitalised if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Borrowing costs not directly attributable to the acquisition or construction of a qualifying asset are expensed when incurred.

Government grants

Government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognised in profit or loss in the period in which they become receivable

Deferred capital receipts

Customer charges towards distribution and transmission equipment are taken to deferred capital receipts on the date cash is received and is credited to the statement of comprehensive income on a systematic basis over the respective useful life of the equipment.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Corporation's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Corporation's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Corporation, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Corporation.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

An economic benefit is available to the Corporation if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

The Corporation recognises all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The Corporation recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of the plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and past service costs that had not previously been recognised.

Taxation

In accordance with section 20 of the Act, the Corporation is exempt from custom duties, land and house taxes, stamp duties and income taxes. Effective January 1, 2005, the Government, by virtue of the introduction of the Payroll Taxes Act, 2004, zero rated both personal and corporate income taxes in the British Virgin Islands. Further, beginning January 1, 2005, the Corporation became subject to a payroll tax equating to 6% on all salaries, wages and benefits of employees.

4. CASH AND CASH EQUIVALENTS

	2011	2010
Current accounts	\$ 1,293,237	\$ 1,148,873
Cash at hand	2,700	2,800
Short term deposits	2,215,713	2,507,541
	\$ 3,511,650	\$ 3,659,214

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

5. TRADE AND OTHER RECEIVABLES

	2011	2010
Trade receivables	\$ 15,661,831	\$ 10,409,848
Prepayments	127,924	212,379
Other receivables	481,060	435,736
	<u>16,270,815</u>	<u>11,057,963</u>
Provision for doubtful debts	(538,687)	(399,874)
	<u>\$ 15,732,128</u>	<u>\$ 10,658,089</u>
Movement in provision for doubtful debts		
	2011	2010
Balance at the beginning of the year	\$ 399,874	\$ 416,165
Increase/(decrease) for the year	138,813	(16,291)
Balance at the end of the year	<u>\$ 538,687</u>	<u>\$ 399,874</u>

6. INVENTORIES

	2011	2010
Generating plant and equipment parts	\$ 5,069,122	\$ 4,951,081
Distribution and transmission parts	2,807,622	2,299,484
Diesel fuel	1,628,703	976,718
Lubricating oil	114,115	61,094
Vehicle parts	179,608	136,291
Other spare parts and supplies	39,776	34,619
Goods in transit	652,316	571,944
	<u>10,491,262</u>	<u>9,031,231</u>
Provision for obsolete inventory	(725,922)	(699,981)
	<u>\$ 9,765,340</u>	<u>\$ 8,331,250</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

7. PROPERTY, PLANT AND EQUIPMENT

<u>Cost</u>	Land & Buildings	Generating Plants & Equipment	Distribution & Transmission Equipment	Motor Vehicles	Computer & Other Equipment	Furniture & Fittings	Work in Progress	Total
At January 1, 2011	\$ 17,726,815	\$ 60,436,814	\$ 47,000,946	\$ 1,414,893	\$ 1,588,229	\$ 807,474	\$ 944,570	\$ 129,919,741
Additions	34,782	27,783	849,272	221,254	99,202	8,937	199,680	1,440,910
Transfers	-	-	-	-	790,586	-	(790,586)	-
Disposals	-	-	-	(60,947)	-	-	-	(60,947)
At December 31, 2011	17,761,597	60,464,597	47,850,218	1,575,200	2,478,017	816,411	353,664	131,299,704
<u>Accumulated depreciation</u>								
At January 1, 2011	7,199,482	35,281,119	30,046,657	1,287,125	1,377,987	606,062	-	75,798,432
Charge for the year	410,588	1,731,461	2,001,751	115,548	277,953	39,358	-	4,576,659
Eliminated on disposals	-	-	-	(60,947)	-	-	-	(60,947)
At December 31, 2011	7,610,070	37,012,580	32,048,408	1,341,726	1,655,940	645,420	-	80,314,144
<u>Net book value</u>								
At January 1, 2011	\$ 10,527,333	\$ 25,155,695	\$ 16,954,289	\$ 127,768	\$ 210,242	\$ 201,412	\$ 944,570	\$ 54,121,309
At December 31, 2011	\$ 10,151,527	\$ 23,452,017	\$ 15,801,810	\$ 233,474	\$ 822,077	\$ 170,991	\$ 353,664	\$ 50,985,560

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land & Buildings	Generating Plant & Equipment	Distribution & Transmission Equipment	Motor Vehicles	Computer & Other Equipment	Furniture & Fittings	Work in Progress	Total
<u>Cost</u>								
At January 1, 2010	\$ 17,676,803	\$ 60,355,444	\$ 45,840,496	\$ 1,315,131	\$ 1,522,843	\$ 779,261	\$ 768,490	\$ 128,258,468
Additions	50,012	81,370	1,160,450	99,762	65,386	28,213	176,080	1,661,273
At December 31, 2010	17,726,815	60,436,814	47,000,946	1,414,893	1,588,229	807,474	944,570	129,919,741
<u>Accumulated depreciation</u>								
At January 1, 2010	6,793,581	33,010,486	28,050,665	1,226,891	1,272,971	564,300	-	70,918,894
Charge for the year	405,901	2,270,633	1,995,992	60,234	105,016	41,762	-	4,879,538
At December 31, 2010	7,199,482	35,281,119	30,046,657	1,287,125	1,377,987	606,062	-	75,798,432
<u>Net book value</u>								
At January 1, 2010	\$ 10,883,222	\$ 27,344,958	\$ 17,789,831	\$ 88,240	\$ 249,872	\$ 214,961	\$ 768,490	\$ 57,339,574
At December 31, 2010	\$ 10,527,333	\$ 25,155,695	\$ 16,954,289	\$ 127,768	\$ 210,242	\$ 201,412	\$ 944,570	\$ 54,121,309

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

8. SHARE CAPITAL

Authorised capital

The Corporation has an unlimited authorised share capital.

	2011	2010
	<u> </u>	<u> </u>
Issued capital		
778 fully paid shares of \$1.00 par value each	\$ 778	\$ 778
Share premium	7,051,687	7,051,687
	<u>\$ 7,052,465</u>	<u>\$ 7,052,465</u>

All issued shares in the Corporation are owned by the Government of the British Virgin Islands.

Governance

A Board of Directors has been appointed. The Chairman has a casting, as well as deliberative vote; however, the decision of the majority of the directors present and voting at any meeting of the Corporation is deemed to be the decision of the Corporation.

Contributed surplus

Contributed surplus represents amounts contributed by the Government of the British Virgin Islands in addition to its subscription of the issued share capital.

9. TRADE AND OTHER PAYABLES

	2011	2010
	<u> </u>	<u> </u>
Trade payables	\$ 5,112,332	\$ 3,294,754
Other payables	438,824	623,461
	<u>\$ 5,551,156</u>	<u>\$ 3,918,215</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

10. BORROWINGS

<u>Bank loan</u>	2011	2010
Banco Popular de Puerto Rico		
	\$ 17,504,669	\$ 19,505,201
<p>\$30,008,000 was borrowed in connection with the Phase IV Development Programme. The loan is repayable in 60 quarterly installments of \$500,133 which commenced on December 31, 2005, bears interest at a fixed rate of 5.5% per annum, secured over the assets of the Corporation and is guaranteed by the Government.</p>		
	17,504,669	19,505,201
Less: Repayable within one year	(2,000,532)	(2,000,532)
Repayable outside of one year	\$ 15,504,137	\$ 17,504,669

Revolving line of credit

The Corporation has a revolving line of credit of US\$3,000,000, which bears interest at prime rate + 0.5% p.a. and is secured by a charge over the assets of the Corporation and an unconditional and irrevocable guarantee from the Government. As at December 31, 2011 and 2010, the facility was unused.

Overdraft facility

The Corporation has an overdraft facility available from Scotia bank (BVI) Limited allowing the Corporation to borrow up to \$800,000, which bears interest at US Prime Rate + 1% and is secured by an unconditional and irrevocable guarantee from the Government. As at December 31, 2011 and 2010, the facility was unused.

11. PENSION FUND LIABILITY

The Corporation makes contributions to a defined benefit plan that provides pension benefits to employees on retirement. The defined benefit plan is fully funded and is held independently of the Corporation's assets.

The amount recognised in the statement of financial position as pension liability is as follows:

	2011	2010
Present value of funded obligations	\$ 23,751,552	\$ 19,388,497
Fair value of plan assets	(12,522,632)	(12,306,279)
Unrecognised loss	(8,098,631)	(4,253,667)
Liability in the statement of financial position	\$ 3,130,289	\$ 2,828,551

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

11. PENSION FUND LIABILITY (continued)

The amount recognised in the statement of comprehensive income as pension expense is as follows:

	2011	2010
Current service cost	\$ 842,320	\$ 743,623
Interest cost	1,146,448	1,079,564
Amortised net loss	224,740	121,490
Expected return on plan assets	(936,968)	(858,673)
	<u>\$ 1,276,540</u>	<u>\$ 1,086,004</u>

The movement in the liability recognised in the statement of financial position is as follows:

	2011	2010
Opening net liability	\$ 2,828,551	\$ 2,679,299
Net periodic pension cost	1,276,540	1,086,004
Contributions	(974,802)	(936,752)
	<u>\$ 3,130,289</u>	<u>\$ 2,828,551</u>

The principal actuarial assumptions used in calculating the pension fund liability are:

	2011	2010
Discount rate	5.0%	6.0%
Expected rate of return on plan assets	6.5%	7.5%
Rate of compensation increase	4.0%	4.0%

12. DEFERRED CAPITAL RECEIPTS

	2011	2010
Balance at 1 January	\$ 7,214,015	\$ 6,447,655
Customer charges for the year	1,346,769	1,576,686
Released to the statement of comprehensive income	(841,357)	(810,326)
Balance at 31 December	<u>\$ 7,719,427</u>	<u>\$ 7,214,015</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

13. RELATED PARTY TRANSACTIONS

Sale of electricity

The Corporation earned \$9,322,093 (2010 - \$8,237,210) in revenue from Government and related statutory bodies for the provision of products and services, of which \$6,101,595 (2010 - \$2,737,152) was receivable at year end.

General and administrative expenses

Director's fees and expenses during the year amounted to \$51,158 (2010 - \$54,936).

14. STAFF COSTS

	2011	2010
Wages and salaries	\$ 6,661,616	\$ 6,590,541
Social security	202,372	200,766
Pension expense	1,276,540	1,086,004
Payroll taxes	301,628	304,336
Other employee expenses	388,147	376,296
	<u>\$ 8,830,303</u>	<u>\$ 8,557,943</u>

T

The average number of full time employees in 2011 was 170 (2010 – 164).

During the year ended December 31, 2011, the Corporation paid \$Nil (2010 - \$Nil) for past service costs and \$842,320 (2010 - \$743,623) for current service costs to the defined benefit pension plan, which has been included as part of pension expense. Details of the pension plan can be found in Note 11.

15. COMMITMENTS

Commitments for capital expenditure

	2011	2010
Commitments for the acquisition of property, plant and equipment planned and not contracted for	<u>\$ 1,405,634</u>	<u>\$ -</u>

Other commitments

The Corporation signed a contract with Delta Petroleum Caribbean Ltd. ("Delta") for the exclusive supply of 28,323,549 US gallons of refined petroleum products, for the period September 1, 2010 to August 31, 2012. The Corporation signed a new contract with Delta for the next three years for the exclusive supply of 27,023,800 US gallons of refined petroleum products. Based on current fuel prices, the contracts are valued at approximately \$106,160,707 and \$101,323,896 respectively. During the year \$40,526,975 (2010 – \$30,581,180) was paid to Delta for supplies received.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

15. COMMITMENTS (continued)

Other commitments (continued)

On January 16, 2008 the Corporation signed a three (3) year agreement with Wartsila Caribbean, Inc. for advisory services relating to the operations and maintenance of the Generation department. The Corporation is to pay a fixed fee of \$61,700 per month, adjusted annually for inflationary increases, along with all reimbursable costs and extraordinary expenses, if any.

On November 22, 2007, the Corporation renewed its contract for cash in transit services with Top Priority Services, Ltd. for the period from February 7, 2009 to February 6, 2010. In accordance with the terms of the contract, the Corporation will pay Top Priority a monthly fee of US\$4,950 (US\$59,400 per annum). Subsequent to February 6, 2010, the services were provided on a month to month basis where the fee paid during 2011 remained unchanged.

16. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one enterprise or a financial liability or equity instrument of another enterprise.

The Corporation's activities expose it to a variety of risks: market risk (including foreign currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

Market risk

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation incurs foreign currency risk on transactions that are denominated in currencies other than the US dollar. The principal currency giving rise to this risk is the British Pound ("£").

At December 31, the Corporation had net foreign currency exposure as follows:

	<u>2011</u>	<u>2010</u>
<i>Financial assets</i>		
Cash in current account - GBP Currency	\$ 47,015	\$ -

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

17. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Cashflow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's income and operating cash flows are substantially independent of changes in market rates since the majority of interest bearing instruments are fixed rate instruments.

At December 31, 2011, the Corporation's financial assets and liabilities were classified as follows:

	<u>Interest Bearing</u>	<u>Non-Interest Bearing</u>	<u>Total</u>
<u>Financial assets</u>			
Cash and cash equivalents	\$ 3,498,382	\$ 13,268	\$ 3,511,650
Trade and other receivables	-	15,732,128	15,732,128
Total financial assets	<u>\$ 3,498,382</u>	<u>\$ 15,745,396</u>	<u>\$ 19,243,778</u>
<u>Financial liabilities</u>			
Trade and other payables	\$ -	\$ 5,551,156	\$ 5,551,156
Customer deposits	-	2,406,318	2,406,318
Borrowings	17,504,669	-	17,504,669
Total financial liabilities	<u>\$ 17,504,669</u>	<u>\$ 7,957,474</u>	<u>\$ 25,462,143</u>
Interest sensitivity gap	<u>\$ (14,006,287)</u>		<u>\$ (14,006,287)</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

17. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Cashflow and fair value interest rate risk (continued)

At December 31, 2010, the Corporation's financial assets and liabilities were classified as follows:

	<u>Interest Bearing</u>	<u>Non-Interest Bearing</u>	<u>Total</u>
<u>Financial assets</u>			
Cash and cash equivalents	\$ 3,641,346	\$ 17,868	\$ 3,659,214
Trade and other receivables	-	10,658,089	10,658,089
Total financial assets	<u>\$ 3,641,346</u>	<u>\$ 10,675,957</u>	<u>\$ 14,317,303</u>
<u>Financial liabilities</u>			
Trade and other payables	\$ -	\$ 3,918,215	\$ 3,918,215
Customer deposits	-	2,564,516	2,564,516
Borrowings	19,505,201	-	19,505,201
Total financial liabilities	<u>\$ 19,505,201</u>	<u>\$ 6,482,731</u>	<u>\$ 25,987,932</u>
Interest sensitivity gap	<u>\$ (15,863,855)</u>		<u>\$ (15,863,855)</u>

The Corporation is exposed to interest rate price risk on term loans payable to the extent that prevailing interest rates may fluctuate from the fixed interest rate stated in Note 10. Movement in the interest rate will not have a significant impact on the carrying value of these loans. However, there is an inherent risk that during the period to maturity, rates shown in Note 10 may be higher than the prevailing market rates.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. Financial assets, which potentially expose the Corporation to credit risk, consist of cash and cash equivalents and receivables. The extent of the Corporation's exposure to credit risk in respect of these financial assets approximate the carrying values as recorded in the Corporation's statement of financial position.

To reduce exposure to credit risk, the Corporation regularly reviews the credit performance of its customers. The Corporation invests available cash with various local banks, and is exposed to credit related losses in the event of non-performance by these counterparties to financial instruments but, given their high credit ratings, management does not expect any counterparty to fail to meet its obligation.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

17. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The following table summarises the credit quality and aging analysis of the Corporation's financial assets as of December 31, 2011:

	<u>Neither past due nor impaired</u>			Past due but not impaired (US\$000)	Past due and impaired (US\$000)	Total (US\$000)
	High Grade (US\$000)	Standard Grade (US\$000)	Substandard Grade (US\$000)			
Cash at bank	\$ 3,512	\$ -	\$ -	\$ -	\$ -	\$ 3,512
Receivables	10,388	-	-	5,344	539	16,271
Total	\$13,900	\$ -	\$ -	\$ 5,344	\$ 539	\$ 19,783

The following table summarises the credit quality and aging analysis of the Corporation's financial assets as of December 31, 2010:

	<u>Neither past due nor impaired</u>			Past due but not impaired (US\$000)	Past due and impaired (US\$000)	Total (US\$000)
	High Grade (US\$000)	Standard Grade (US\$000)	Substandard Grade (US\$000)			
Cash at bank	\$ 3,659	\$ -	\$ -	\$ -	\$ -	\$ 3,659
Receivables	8,303	-	-	2,355	400	11,058
Total	\$11,962	\$ -	\$ -	\$ 2,355	\$ 400	\$ 14,717

The following table summarises the aging of the Corporation's financial assets at December 31, 2011:

	<u>Less than 30 days</u>	<u>Between 31 and 60 days</u>	<u>Between 61 and 90 days</u>	<u>Over 90 days</u>	<u>Total</u>
<u>Financial assets</u>					
Cash and cash equivalents	\$ 3,511,650	\$ -	\$ -	\$ -	\$ 3,511,650
Receivables	10,926,262	1,149,844	680,739	3,513,970	16,270,815
	<u>\$14,437,912</u>	<u>\$ 1,149,844</u>	<u>\$ 680,739</u>	<u>\$ 3,513,970</u>	<u>\$ 19,782,465</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

17. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Of the balance over 90 days of \$3,513,970 only \$538,687 is considered impaired and was fully provided for. This relates to the portion of the accounts receivable which the Corporation is not certain that they will recover.

The following table summarises the aging of the Corporation's financial assets at December 31, 2010:

	Less than 30 days	Between 31 and 60 days	Between 61 and 90 days	Over 90 days	Total
<u>Financial assets</u>					
Cash and cash equivalents	\$ 3,659,214	\$ -	\$ -	\$ -	\$ 3,659,214
Receivables	8,702,673	464,255	204,423	1,686,613	11,057,964
	<u>\$ 12,361,887</u>	<u>\$ 464,255</u>	<u>\$ 204,423</u>	<u>\$ 1,686,613</u>	<u>\$ 14,717,178</u>

Of the balance over 90 days of \$1,686,613 only \$399,874 is considered impaired and was fully provided for. This relates to the portion of the accounts receivable which the Corporation is not certain that they will recover.

Liquidity risk

Liquidity risk also referred to as funding risk, is the risk that the Corporation will encounter difficulty in raising funds to meet commitments associated with financial instruments. 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 availability of funding through adequate amount of committed facilities.

At December 31, 2011, the Corporation's current liabilities of \$9,958,006 (2010 - \$8,483,263) are due within 12 months and are equal to their carrying balances as the impact of discounting is not significant. These are adequately covered by the financial assets. Thus at December 31, 2011, the Corporation has no significant exposure to liquidity risk.

Fair value

The fair value of cash and cash equivalents, receivables, payables, customer deposits and the current portion of borrowings payable are not materially different from their carrying amounts due to the relatively short periods to maturity of these financial instruments.

18. EVENTS AFTER THE REPORTING DATE

During July 2012 a judgement was handed down in the British Virgin Islands High Court of Justice against the British Virgin Islands Electricity Corporation whereby the claimant was awarded loss and injury. The claimant must now bring an application for assessment of damages on the claim, but to date has not filed any application. The claim is for in excess of \$3,000,000. An interim payment of \$200,000 was made by the Corporation's insurers.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

In February 2013, a judgment was handed down in the British Virgin Islands High Court of Justice in favour of the Corporation for liquidated damages. The claimant has appealed the decision and obtained a stay of execution of the judgement in April 2013. The full appeal will be heard in late 2013. As at December 31, 2012 the Corporation's claim stood at \$1,189,000 and as at April 24, 2013 at \$3,039,000. If the judgment is upheld the Corporation would be entitled to liquidated damages.

19. SCHEDULES TO THE FINANCIAL STATEMENTS - EXPENSES

	2011	2010
Generation		
Materials and maintenance	3,889,961	5,890,122
Wages and salaries	2,541,596	2,425,345
Social security	70,489	68,125
Pension expense	401,604	342,309
Payroll tax	115,440	103,157
Other employee expenses	126,622	125,537
Other generation expenses	245,678	214,187
	<u>\$ 7,391,390</u>	<u>\$ 9,168,782</u>
Transmission and distribution		
Materials and maintenance	\$ 1,212,894	\$ 1,710,324
Wages and salaries	1,688,492	1,916,423
Social security	55,966	59,451
Pension expense	337,094	301,322
Payroll tax	80,901	98,129
Other employee expenses	109,138	108,610
Other distribution expenses	398,027	418,896
	<u>\$ 3,882,512</u>	<u>\$ 4,613,155</u>
Human resource and administrative		
Insurance	\$ 676,130	\$ 504,990
Legal and professional fees	313,022	571,849
Wages and salaries	528,289	415,044
Social security	12,461	10,911
Pension expense	124,767	87,661
Payroll tax	23,350	19,486
Other employee expenses	23,127	22,600
Other expenses	760,256	427,373
	<u>\$ 2,461,402</u>	<u>\$ 2,059,914</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

	2011	2010
Finance		
Wages and salaries	\$ 804,312	\$ 698,770
Social security	24,572	21,458
Pension expense	173,303	138,045
Payroll tax	32,979	30,571
Other employee expenses	47,233	39,671
Other expenses	272,020	236,696
	<u>\$ 1,354,419</u>	<u>\$ 1,165,211</u>
Customer service and meter reading		
Wages and salaries	\$ 581,496	\$ 669,043
Social security	21,917	23,802
Pension expense	134,052	122,774
Payroll tax	24,151	28,340
Other employee expenses	51,475	51,067
Other expenses	88,903	124,010
	<u>\$ 901,994</u>	<u>\$ 1,019,036</u>
Information technology		
Wages and salaries	\$ 276,793	\$ 223,742
Social security	7,601	6,599
Pension expense	49,924	43,954
Payroll tax	12,717	10,134
Other employee expenses	13,253	11,153
Other computing expenses	175,351	149,923
	<u>\$ 535,639</u>	<u>\$ 445,505</u>
Desalination		
Desalination plant maintenance	\$ 44,909	\$ 61,665
Wages and salaries	91,791	103,374
Social security	3,780	5,517
Pension expense	17,998	23,182
Payroll tax	6,022	8,481
Other employee expenses	6,187	8,953
Other expenses	31	62
	<u>\$ 170,718</u>	<u>\$ 211,234</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Expressed in United States dollars)

	2011	2010
Customer service and meter reading		
Wages and salaries	\$ 581,496	\$ 669,043
Social security	21,917	23,802
Pension expense	134,052	122,774
Payroll tax	24,151	28,340
Other employee expenses	51,475	51,067
Other expenses	88,903	124,010
	<u>\$ 901,994</u>	<u>\$ 1,019,036</u>
Information technology		
Wages and salaries	\$ 276,793	\$ 223,742
Social security	7,601	6,599
Pension expense	49,924	43,954
Payroll tax	12,717	10,134
Other employee expenses	13,253	11,153
Other computing expenses	175,351	149,923
	<u>\$ 535,639</u>	<u>\$ 445,505</u>
Desalination		
Desalination plant maintenance	\$ 44,909	\$ 61,665
Wages and salaries	91,791	103,374
Social security	3,780	5,517
Pension expense	17,998	23,182
Payroll tax	6,022	8,481
Other employee expenses	6,187	8,953
Other expenses	31	62
	<u>\$ 170,718</u>	<u>\$ 211,234</u>
Vehicles		
Wages and salaries	\$ 148,847	\$ 138,800
Social security	5,586	4,903
Pension expense	37,798	26,757
Payroll tax	6,068	6,038
Other employee expenses	11,112	8,705
Other expenses	12,800	11,672
	<u>\$ 222,211</u>	<u>\$ 196,875</u>