



British Virgin Islands
**ELECTRICITY
CORPORATION**

ANNUAL REPORT

2015





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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 is 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



RON POTTER
Chairman

Appointed as Chairman of the Board effective December 1, 2013 for a period of 3 years. Managing Director of BDO Limited.

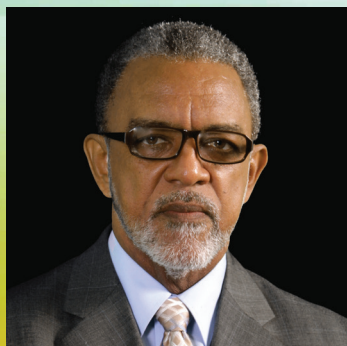
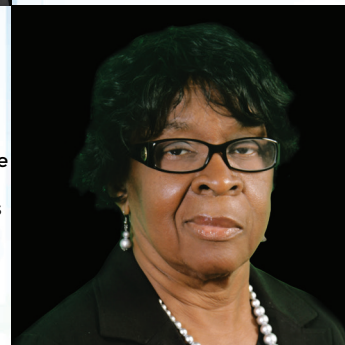
PEARL SMITH
Vice Chairman

Re-appointed as a Board Member effective September 1, 2011 for a period of 3 years. She is retired from BVIEC after holding the position of Corporate Secretary/ Personnel Administrator.



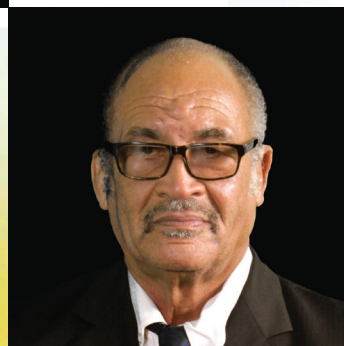
LUCIA LETTSOME
Member

Appointed as a Board Member effective December 1, 2013 for a period of 2 ½ years. Mrs. Lettsome retired from the Public Service in 2009 after 43 years of service; was appointed Chief Financial Officer - BVI Tourist Board 2009 - 2011. She holds a Masters Degree in Business Administration from the University of the West Indies.



ELLSWORTH FLAX
Member

Appointed as a Board Member effective March 1, 2012 for a period of 2 years. A former pilot with Air BVI Limited. A landscaper and apiarist, Mr. Flax is a retired businessman.



IRA SKELTON
Member

Re-appointed as a Board Member effective September 1, 2012 for a period of 3 years. Mr. Skelton is retired from BVIEC after holding the position of Ag. Distribution Superintendent within the Transmission and Distribution Department.

SEAN PALMER
Member

Appointed as a Board Member effective December 1, 2013 for a period of 2 years. He has been a financial services professional since 1999 and is also the owner of a hospitality business.



ANTHONY McMASTER
Ex-Officio Member

Permanent Secretary, Ministry of Communications and Works



LEROY A.E. ABRAHAM
Ex-Officio Member

Appointed since October 1, 2000 and was confirmed as General Manager on September 1, 2004.



SENIOR MANAGEMENT



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



Deputy General Manager
Mr. Henry Creque
B.EE, (Hons), MIEEE, MCMI



Transmission & Distribution Engineer
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.



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



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



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

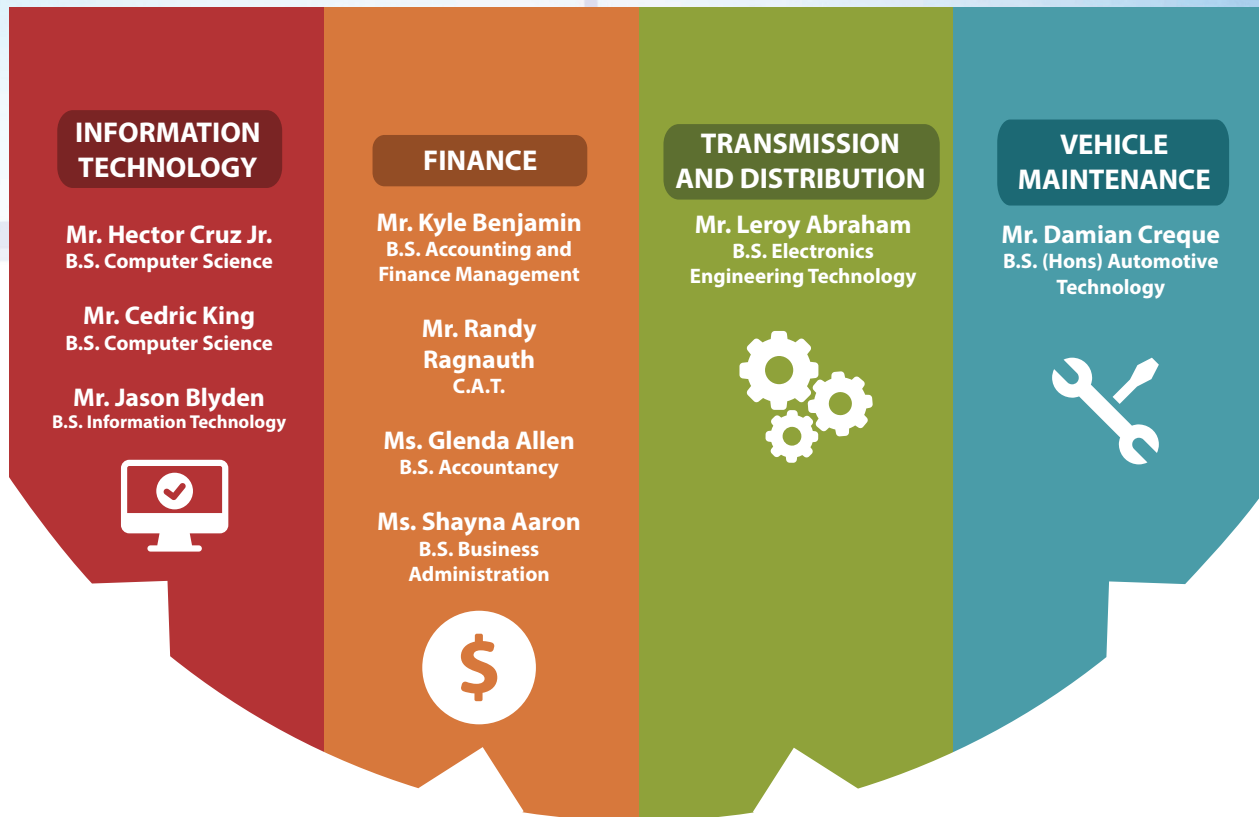


Generation Engineer
Mr. Chaswell Varlack
B.S. Mechanical Engineering Technology



Electrical Engineer
Mr. Ottley Rymer
B.S. Electrical Engineering

JUNIOR MANAGEMENT



HEAD OFFICE, BANKERS, SOLICITORS AND AUDITORS

HEAD OFFICE

Long Bush, Tortola
British Virgin Islands
P.O. Box 268
Road Town, Tortola VG 1110
British Virgin Islands

Tel: 284-494-3911
Fax: 284-494-4291
bviecgm@bvielectricity.com

SOLICITORS

O'Neal Webster

Simmonds Building Wickham's Cay 1
Road Town, Tortola
British Virgin Islands

BANKERS

First Caribbean International Bank

Road Town, Tortola
British Virgin Islands

Barclays Banks PLC

Old Broad Street Branch
London, England

Scotia Bank (BVI) Limited

Road Town, Tortola
British Virgin Islands

AUDITOR

Principal
Chief Auditor
Audit Department
Government of the Virgin Islands

First Bank VI

Road Town, Tortola
British Virgin Islands

Banco Popular de Puerto Rico

Road Town, Tortola
British Virgin Islands

National Bank of the Virgin Islands

Road Town, Tortola
British Virgin Islands

CONTRACTED AUDITOR

Baker Tilly (BVI) Ltd

P.O. Box 650
Tropic Isle Building
Nibbs Street
Road Town, Tortola, VG 1110
British Virgin Islands

Operating Revenues

At the end of the year in review, the Corporation realized operating revenue of \$55.38 million compared to \$67.42 million for the previous year. Revenue from electricity sales decreased to \$54.24 million which was 18.27% less than 2015 (\$66.36 million). During the year 77.02% of the revenue from the sale of electricity came from Tortola, 16.54% came from Virgin Gorda, 3.96% came from the other islands and 2.48% came from Streetlights. Domestic customers contributed 33% of the revenue, commercial customers 61%, industrial customers 4% and streetlighting 2%.

Operating Expenses

Operating expenses, which were 83.87% of total revenue included depreciation expenses of \$4.03 million. Overall, operating expenses decreased from \$61.22 million in 2014 to \$46.45 million in 2015, a decrease of 24.13%. Fuel and oil costs of \$26.25 million, which was the single largest expense, decreased from 39.75 million in 2014.

During the preparation of the 2015 budget, sales were projected to increase approximately 2.0% over the previous year's sales. This assumption was made in light of the previous year's growth, extrapolation of the unit sales growth rate over the previous 5 years, the increased accuracy of the Corporation's metering infrastructure, and the economic outlook for the British Virgin Islands for the year 2015.

The above revenue and operating expenses resulted in an operating profit of \$7.79 million compared to an operating profit of \$5.14 million in 2014.

Capital Expenditures

For the year in review, the Corporation spent 18.2 million dollars on capital additions. Details as follows: 0.32% was spent on Generating Plant and equipment, 8.93% on the Transmission and Distribution Systems, 3.10% on motor vehicles, 0.07% on furniture, 1.91% on computing equipment, 0.38% on Land and Building, and 85.29% on work in progress.

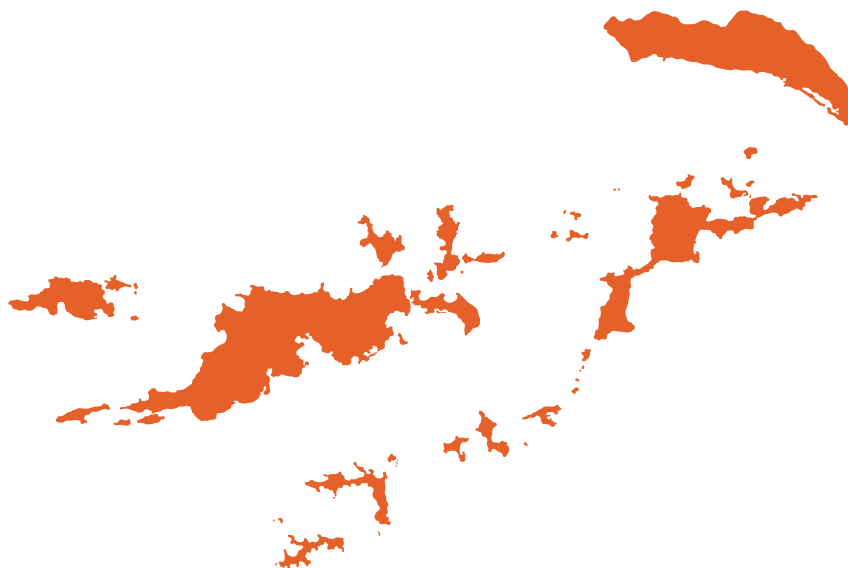
Other Income and Expenses

Finance charges decreased by 13.80% mainly due to a reduction in the total principal amount owed by the Corporation.

In 2015, there was an unrealized foreign exchange loss of \$14,436 compared with a loss of \$35,965 in 2014.

The islands which were within the Corporation's area of service during 2015 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 2015 budget, the Corporation projected an increase of 2.0% in the sale of electricity over the preceding year's budget. The actual units sold were 187.88 million kilowatt hours (kWh); 4.94% more than the projected value of 189.34 million units due to the commissioning of a new water desalination plant. Revenue collected from unit sales was 26.94% less than the value projected due to lower than projected fuel prices.

During 2015, sales increased by 8.85 million units, an increase of 4.94% over 2014, and units generated also increased by 12.93 million units, an increase of 6.56% above 2014.

Fuel usage in 2015 increased above 2014 by approximately 1.01 million gallons. The total cost of fuel and oil however decreased to \$26.25 million in 2015 compared with \$37.75 million in 2014, a decrease of 33.96% or \$13.50 million, mainly due to reductions in crude oil prices.

During 2015 an additional 259 customers were added to the Distribution Network bringing the total number of customers on the system at December 31, 2015, to 16,606. The revenue per unit metered decreased 21.72% from 2014 and the cost per unit metered also decreased 30.58%.

Major Expansion

Works on the Phase V Development Programme, which will introduce three (3) new 8 MegaWatt generators to the Pockwood Pond Power Plant, officially commenced during the course of the year. The installation is projected to be completed during the last quarter of 2017.

Safety

During 2015 the Corporation suffered its first fatal electrocution. Mr. Alex George, of the Transmission and Distribution Department was tragically electrocuted while performing line-work on the island of Virgin Gorda.

FINANCIAL PROFILE

Income and Expenses

Sale of Electricity	54,238,388
Other Income	1,146,518
Cost of Sales	26,253,670
Generation	6,879,311
Depreciation	4,034,550
Transmission and Distribution	2,886,077
Human Resources and Administrative	2,812,205
Finance	1,433,288
Customer Services and Meter Reading	970,979
Vehicles	248,428
Information Technology	548,098
Bank Loan Interest	811,941
Other Expenses	381,981

Customer Type	Units Sold kwh	No. of Customers	Sales
Domestic	55,444,468.00	14,271	17,740,182.00
Commercial	117,507,081.00	2,309	33,050,650.00
Industrial	9,064,262.00	25	2,429,186.00
Streetlighting	3,862,920.00	1	1,354,999.00
Total	187,878,731.00	16,606	54,575,017.00

GENERATION



Pockwood Pond & Long Bush Power Station Plant Performance

In 2015 the Pockwood Pond Power Plant generated 205,163,566 KWh of energy, while consuming 13,967,551 gallons of #2 diesel (measured through engine fuel meters) which yielded an average fuel consumption of 0.068 G/KWh (gallons per kilowatt hour). The total KWh generation increased by 4% over the previous year, while the total fuel consumed increased by 7%. The plant consumed 49,589 gallons of lubricating oil, which represents a 7.9% increase over the previous year.

The entire Pockwood Pond plant ran a total of 54,494 hours out of an available 78,840 hours. This represents an 11.1% increase in total run hours over the previous year. This increase can be attributed to the fact the engine #9, when available, was required to operate more regularly during peak periods, as well as a significant decrease in the amount of standby hours. This decrease in standby hours was realized due to a slight change in the demand profile during the evenings. The demand during this period slightly increased, which translated to less standby hours. There were a total of 146 hours which were over-documented in 2015. This meant that there was a 0.1% error in the documentation of either the equipment generating hours, or the amount of documented downtime hours. There were 10,004.45 standby hours, 12,267.80 planned maintenance hours, 2,076.90 corrective maintenance hours and 143.12 forced maintenance hours documented in 2015. Standby hours accounted for 41% of the total downtime hours, while planned, corrective and forced maintenance activities accounted for 50%, 8.5% and 0.5% respectively.

The average heat rate for the Pockwood Pond plant was 8,920.42 BTU/KWh, a 0.9% increase over the previous year. The plant utilized 1,944,283,099,200 (one trillion, nine hundred and forty four billion, two hundred and eighty three million, and ninety nine thousand two hundred) BTUs of diesel. The plant generated 700,046,810,091 (seven hundred billion, and forty six million, eight hundred and ten thousand and ninety one) BTUs of energy, representing an average efficiency of 38.39%.

The peak demand in 2015 was 33.7 MW, which occurred on June 15th at 10:30 am. This represented 82% of the Pockwood Pond Station's total installed capacity of 40.9 MW. This year's peak demand was 7% higher than the previous year's peak of 31.6 MW.

The Long Bush Power Station generated a total of 4,484,300 KWh of energy, while utilizing 336,587 gallons of #2 diesel. This yielded an average fuel consumption of .075 G/KWh (gallons per kilowatt hour). The plant saw a significant increase in the amount of energy generated (367%) and fuel consumed (392%) over the previous year. This can be attributed to the fact that engine #7 was out of service from July of that year, as well as the intermittent availability of engine #9 at the Pockwood Pond plant.

Anegada Power Station Plant Performance

The Anegada Power Plant Generated 1,966,172 KWh, an increase of 44% over the previous year. The plant ran a total of 8,656 hours while consuming 169,488 gallons of diesel, an increase of 35% when compared to the previous year. The plant realized an average fuel consumption of 0.086 G/KWh (gallons per kilowatt hour), which is a 7% reduction of the previous year's figure of 0.092 G/KWh. This is an indication that plant ran more efficiently during 2015.

2015 Major Services

There was 1 major overhaul and 6 turbocharger services conducted in 2015. These are depicted in the table below:

Engine	Type Of Maintenance	Start Date	Completion Date	Engine Hrs.
5	48,000 Hr. Overhaul	March 2, 2015	April 11, 2015	61,481
8	8,000 Hr. T.C. Service	April 21, 2015	April 22, 2014	63,683
4	8,000 Hr. T.C Service	April 22, 2015	April 23, 2015	134,623
3	8,000 Hr. Overhaul	June 27, 2015	June 28, 2015	137,143
6	8,000 Hr. Overhaul	July 11, 2015	July 12, 2015	58,788
7	8,000 Hr. T.C. Service	July 17, 2015	July 18, 2015	66,567
5	8,000 Hr. T.C. Service	December 13, 2015	December 14, 2015	67,240

Major Setbacks

- On July 17th, engine #7 suffered a catastrophic failure of its crankshaft. The unit was slated to commence its 60,000 hour overhaul earlier the same year, but was delayed as it was slated to commence too close to the peak period. The unit remained out of commission for the remainder of the year.

Notable Achievements

- The 36,000 hour overhaul of engine #5 commenced on March 2nd and was completed on April 11th of that same year. This activity was conducted by Wartsila in conjunction with the Generation Department's mechanical team.

- All scheduled turbocharger services were completed during 2015. The services were completed within the average timeframe of 24 hours.

- The ground-breaking ceremony to commemorate the commencement of the Phase V Development project was held on March 23rd at the Pockwood Pond plant. While the ceremony was merely a mock ground breaking, the actual works began at the plant a few months later. This was a monumental achievement, given the many delays and false starts the project saw over the previous years.

- The Pockwood Pond plant realized an average fuel consumption of 0.068 G/KWh (calculated using engine meters) by the end 2015. This fuel consumption falls within the range of industry accepted standards with regards to the efficient conversion of fuel for the production and sale of energy.

- The Pockwood Pond plant had an average reliability of 97% at the end of 2015, which is a significant improvement over the previous year (91%).

2014 - 2015 MONTHLY PEAK DEMAND COMPARISON

Month	Peak Demand 2014	Peak Demand 2015	% Increase/Decrease
Jan	28,970	27,790	-4.2%
Feb	28,590	29,020	1.5%
Mar	29,440	28,740	-2.4%
Apr	30,920	31,710	2.6%
May	29,650	32,920	11.0%
Jun	30,990	33,790	9.0%
Jul	30,840	33,470	8.5%
Aug	29,230	32,070	9.7%
Sep	29,230	31,820	8.9%
Oct	30,560	32,560	6.5%
Nov	29,790	30,650	2.9%
Dec	28,140	29,100	3.4%
Average Inc./Dec.			4.8%

TOTAL KWH/MWH GENERATION 2015

	31 Jan	31 Dec	
1	101625100	108221800	6,596.70
2	13701100	18723900	5,022.80
3	79189600	112121400	32,931.80
4	59557800	91031600	31,473.80
5	128841500	163530700	34,689.20
6	83220900	120167000	36,946.10
7	81268900	99617500	18,348.60
8	82234350	120622185	38,387.84
9	507225	1700557	1,193.33
Total KWh Generated			204,396,835.00
Total MWh Generated			204,396.84

TOTAL RUN HOURS 2015

Engine	31-Jan	31-Dec	Total Hrs.
1	96897	102236	5339
2	111477	115656	4179
3	133331	141457	8126
4	132116	140046	7930
5	60257	67659	7402
6	54482	62764	8282
7	62357	66566	4209
8	61073	69407	8334
9	364.23	1148	783.77
Total Run Hours			54,585

TOTAL LUBE OIL CONSUMPTION 2015

Engine	31-Jan	31-Dec	Total	Consumption
1	8485	15526	7041.00	3.58
2	16492	26009	9517.00	6.35
3	107277	111329	4052.00	0.41
4	3905050	3907852	2802.00	0.30
5	38850	45070	6220.00	0.60
6	36700	43880	7180.00	0.65
7	144600	155680	2927.00	0.54
8	41770	51620	9850.00	0.86
9	4	110	106.00	0.30
Total Lube Oil Cons.			49,589.00	1.51

FUEL OIL CONSUMPTION

Engine	31-Jan	31-Dec	Total	Consumption	Bypass Value	
					31-Jan	31-Dec
1	5483798	6090876	607,078.00	0.092		
2	316672	746733	430,061.00	0.086		
3	13227459	15419263	2,191,804.00	0.067		
4	4456295	6572693	2,116,398.00	0.067		
5	659836	1934821	1,352,229.00	0.068	720132	797376
6	416265	2965977	2,571,603.00	0.070	243090	264981
7	614477	1824143	1,215,977.00	0.066	794912	801223
8	566992	2986501	2,461,347.00	0.064	19420	61258
9	36895.01	119768	82,872.99	0.069		
Total Fuel Oil Cons.			13,946,497.00	0.068		

Fuel Usage (Building Meter)			Boiler
31-Jan	31-Dec	Total (Gal)	0
9,276,622.00	22,397,981.00	13,121,359.00	13,121,359.00
			0.064

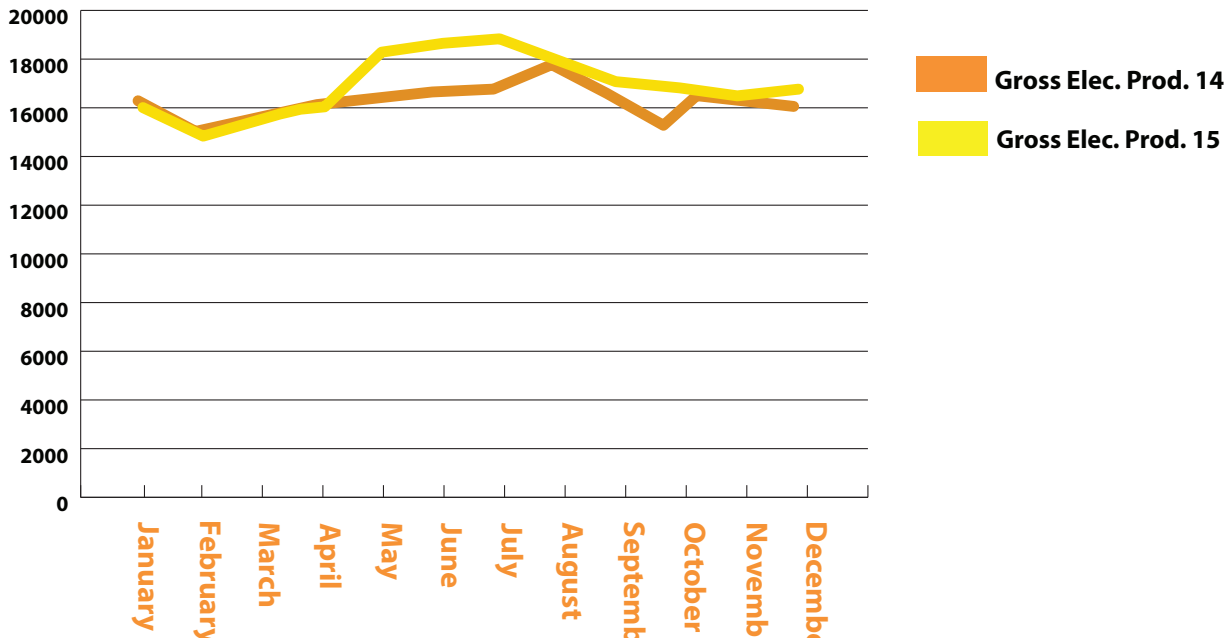
TOTAL DOWNTIME 2015

Type of Maintenance	Total Downtime (Hours)	Total Lost (MW)	YTD
SB (Standby)	231.22	912.93	10,004.45
PM (Planned Maintenance)	1600.18	5797.93	12,267.80
CM (Corrective Maintenance)	112.42	517.45	2,076.90
FM (Forced Maintenance)	17.22	82.77	143.12
Total	1961.03	7311.08	24,492.26

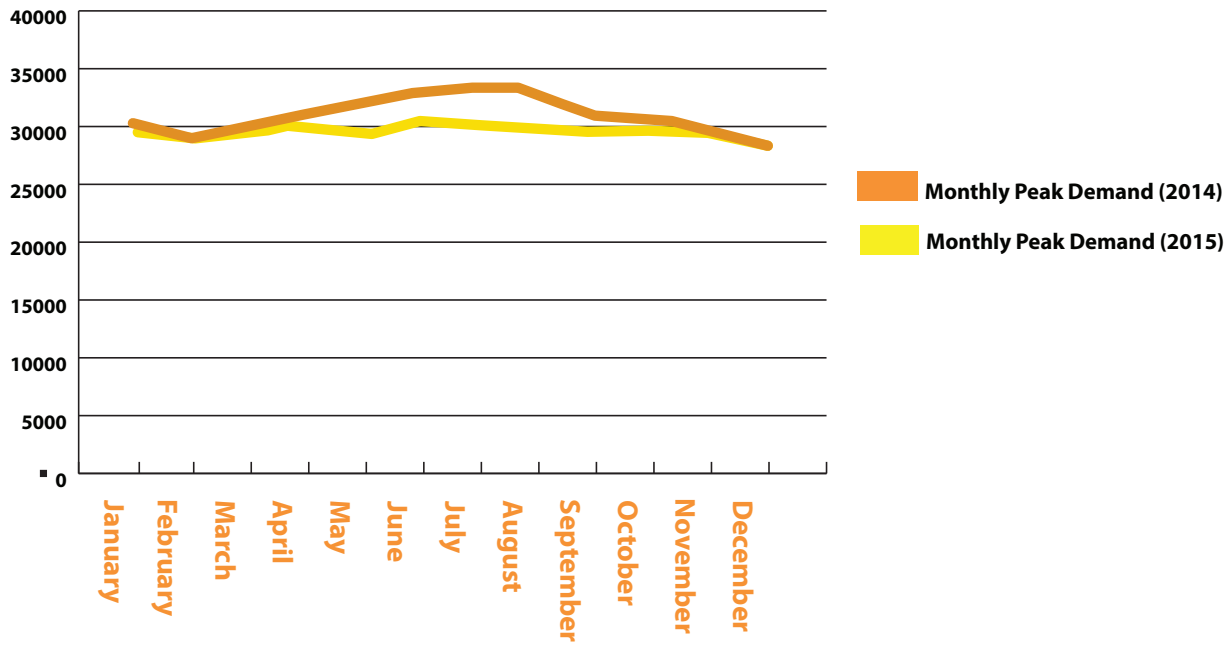
POCKWOOD POND STATION INDIVIDUAL UNIT PERFORMANCE 2015

Engine	P.M. Hours	C.M. Hours	F.M. Hours	S.B. Hours	Downtime Hrs.	Avail.	Reli.
1	14.92	155.90	11.87	3424.13	3606.82	97.91%	98%
2	631.78	610.18	11.93	3190.92	4444.82	85.69%	92%
3	62.28	185.77	22.28	365.90	636.23	96.91%	98%
4	120.82	332.37	36.45	319.40	809.03	94.41%	96%
5	1009.13	43.35	7.48	294.97	1354.93	87.90%	99%
6	75.73	139.12	23.68	208.95	447.48	97.28%	98%
7	4036.00	391.32	12.70	189.48	4629.50	49.31%	91%
8	158.23	126.30	4.52	146.27	435.32	96.70%	98%
9	6158.90	92.60	12.20	1864.43	8128.13	28.50%	96%
Total	12,267.80	2,076.90	143.12	10,004.45	24,492.26	82%	96%

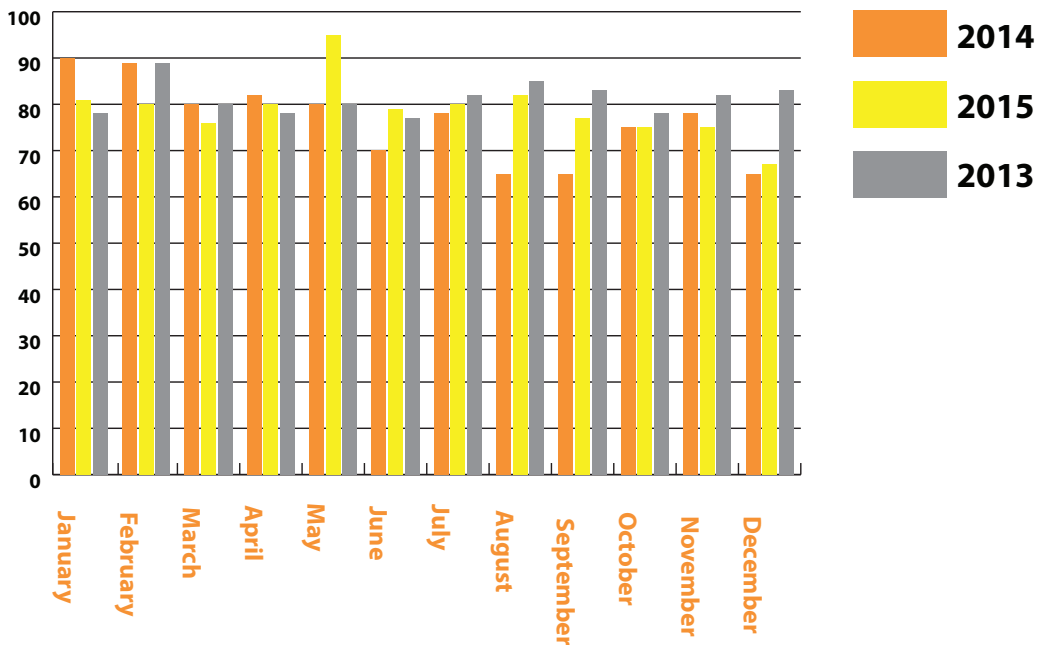
DEC. 2014 - 2015 GROSS ELECTRICAL PRODUCTION COMPARISON



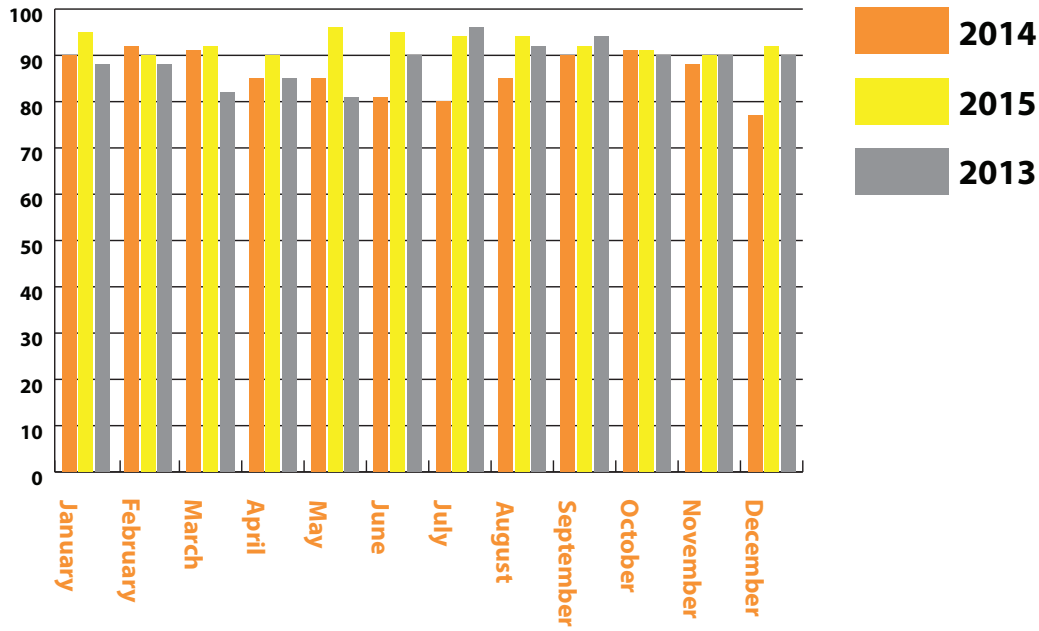
NOV. 2014 - 2015 PEAK DEMAND COMPARISON



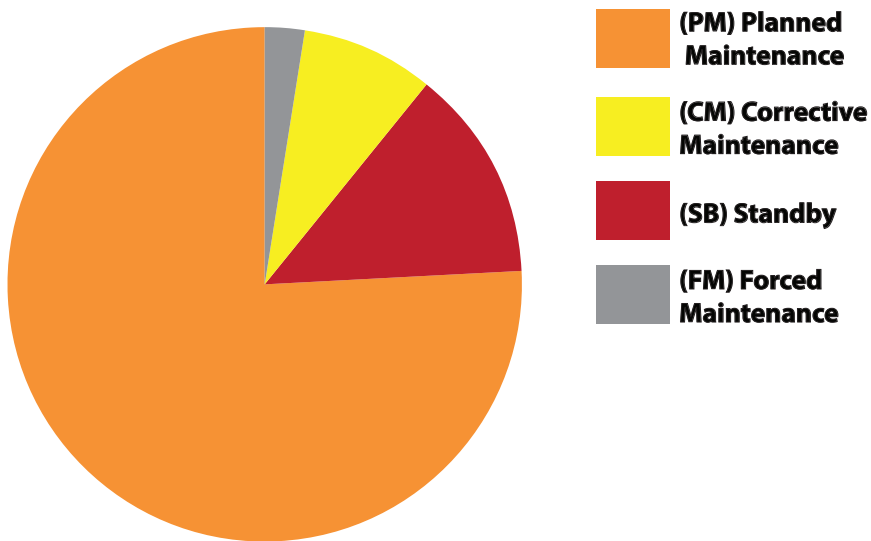
DEC. 2013, 2014 & 2015 MONTHLY RELIABILITY COMPARISON



DEC. 2013, 2014 & 2015 MONTHLY AVAILABILITY COMPARISON



2015 DOWNTIME CHART



TRANSMISSION & DISTRIBUTION



OBJECTIVES COMPLETED IN 2015

- ENSURED THAT ALL REDUNDANT POLES AND CONDUCTORS WERE REMOVED BASED ON WORKS PERFORMED TO RELOCATE A SECTION OF THE POCKWOOD POND EAST FEEDER IN THE AREA OF THE DUNGEON.
- COMPLETED LINE RELOCATION AT PALESTINA.
- RE-ROUTED HV T-OFF FOR BURNAL HODGE
- COMPLETED LINE CLEARING AND ABS MAINTENANCE ON PPE, PPW, AND SRT FEEDERS.
- FENCED AND COVERED SWITCHES AND TRANSFORMERS AT SPRAT POINT, CULTURAL CENTER, MARK SIMMONDS AND FORT GARDEN.
- RELOCATED BIWATER RENTAL GENERATOR SETS TO NEW LOCATION.
- COMPLETED LINE CLEARING AND ABS MAINTENANCE ON LSE, LSW AND LS HAWKS NEST FEEDERS
- PERFORMED WORKS TO ENSURE THAT THE 4 SOLAR LIGHTS AT POCKWOOD POND WERE IN GOOD WORKING CONDITIONS.
- STRAIGHTENED/REPLACED ALL LEANING POLES AND ROTTEN MAINLINE MATERIALS ON THE NETWORK ON THE ISLAND OF VG.
- SERVICED ALL 34.5 KV SWITCHES AND ALL 13.2 KV SWITCHES AT POCKWOOD POND, LONG BUSH, LONG SWAMP AND VIRGIN GORDA.
- REPAIRED 95% OF STREETLIGHTS IN ANEGADA
- PHASE OUT MAINLINE AT MARIA'S GAP AND ADMIN COMPLEX.
- REPLACE TCP AIR BREAK SWITCH

NEW OBJECTIVES FOR 2016

- TO REPLACE HV SWITCH AT INDIGO BAY AND PROVIDE HOUSING FOR THIS SWITCH AND THOSE AT ST. GEORGES CHURCH, PALESTINA AND OLD CTL.
- COMPLETE LINE CLEARING ON THE PPE, PPW, LBE, LBW, LBR AND SRT FEEDERS.
- TO COMPLETE RELOCATION OF MAINLINE AT MEYERS ADJACENT TO DOLPH BAR, JEAN HILL AND FISH BAY.
- COMPLETED ABS MAINTENANCE ON PPE, PPW, AND SRT FEEDERS.
- TO COMPLETE HV LINE RELOCATION ALONG NORTH SOUND ROAD IN THE VICINITY OF THE WATER PLANT.
- TO SERVICE ALL AIR BREAK SWITCHES ON ALL FEEDERS ON THE T&D NETWORK.
- TO COMPLETE VEGETATION MANAGEMENT ON ALL FEEDERS ON THE T&D NETWORK.
- TO FIX ALL BLOWN OR DAMAGED STREETLIGHTS ON THE T&D NETWORK IN VIRGIN GORDA.
- TO SERVICE ALL TRANSFORMERS AT POCKWOOD POND AND LONG BUSH SWITCH YARDS.
- TO COMPLETE MAINTENANCE ON ALL SOLAR LIGHTS ON TORTOLA AND ENSURE THAT AT LEAST 90% OF THEM REMAIN FUNCTIONAL AT ALL TIMES.



HUMAN RESOURCES



Employment Application

YOUR NAME: _____
ADDRESS: _____

Are you able to perform the essential functions of the position with or without accommodations?
 Yes No

IF NECESSARY FOR THE JOB, ARE YOU OVER _____ DAYS AFTER BEING NOTIFIED THAT I AM Hired?
 Yes No

EDUCATION:
High School _____
College/University _____
Business/Technical _____
Other (May include grammar school) _____

MILITARY SERVICE:
Duty/Specialized Training _____

REFERENCES: List two personal references who are not relatives or former supervisors.

Name	Address	Telephone
_____	_____	_____
_____	_____	_____

EMPLOYMENT: List last employment first. Include summer or temporary jobs. Be sure all your experience to this job are listed here, in the summary (following this section), or use an extra sheet of paper if necessary.

Employer Name and Address	Position Title/Duties Skills
_____	_____
_____	_____
_____	_____
_____	_____

HUMAN RESOURCES

Employees

The below table depicts the amount of employees that were on the Corporation's payroll for the years ending 2012 – 2015. They are classified according to departments:-

Department	2012	2013	2014	2015
Human Resource/Administration	14	14	14	13
Finance	45	42	42	38
Transmission & Distribution	56	51	51	50
Generation	60	54	50	49
Information Technology	4	5	5	6
Total	179	166	162	156

The following is a listing of the various staff changes and additions that took place during the year 2015:-

New Employees

Transmission and Distribution:

Mitchell Brewley - Labourer (re-employed)

Generation:

Juanicia-Maria Malone - Assistant Planning Officer
John Bedford - Plant Operator
Vance Penn - Plant Operator
Caeson Hodge - Plant Operator
Michael Young - Plant Operator

Finance:

Kayla George - Customer Service Representative
Eudean Legair - Customer Service Representative
Lakelsha Reid - Customer Service Representative

Resignations:

Human Resource:

Laura Winter - Administrative Assistant

Transmission and Distribution:

Peter Mittleholzer - T&D Structures Foreman

Generation:

Samuel Legair - Plant Operator

Finance:

Sheba Prentice	-	Customer Service Representative
Celicha Stoddard	-	Customer Service Representative
Kendrie Seraphin	-	Customer Service Representative

TERMINATIONS

Generation:

Loran Maduro	-	Plant Operator
Julio Bristol	-	Plant Operator

Finance:

Deanna Lennard	-	Customer Service Representative
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RETIREMENTS

Generation:

Arnold Christopher	-	Plant Operator (Medically retired)
Melvin Francis	-	Assistant Mechanic
Owen Baltimore	-	Shift Controller

Finance:

Texford John	-	Senior Customer Service Representative
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PROMOTIONS/TRANSFERS

Finance:

Tamara Phillip	-	Junior Procurement Officer
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Information Technology:

Jamal Samuel	-	TWACS Network Servicer Clerk (Transferred from the Finance Department)
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SUMMER EMPLOYEES

Seven persons were given the opportunity to be employed by the Corporation during the summer of 2015. They were assigned as follows:-

1.	Daymian Jennings	-	Transmission and Distribution Department (Scholarship recipient)
2.	Andre Percival	-	Transmission and Distribution Department
3.	Jamal Austim	-	Transmission and Distribution Department
4.	Cecil Williams	-	Transmission and Distribution Department
5.	Leslie Allen Jr.	-	Generation Department
6.	Rhea Sprauve	-	Human Resource/Administration Department
7.	Tyrone Smith	-	Information Technology Department

TRAINING

Training presents a prime opportunity to expand the knowledge base of all employees and as such, every year greater effort is placed to continuously improve the skills and abilities of our human resources. Training and development provides both the company as a whole and the individual employees with benefits that make the cost and time a worthwhile investment.

The following training courses were accomplished during the year 2015:-

Department	Courses	Venue	Number of Employees
Transmission & Distribution:	Webinar - Performing PV Impact Studies and Hosting Capacity Quantification using Synergi Electric	BVIEC	2
	Aclara Client Conference 2015	Nashville, Tennessee	1
	Occupational Health and Safety Course	HLSCC	1
	Carilec's Engineering and Occupational Health and Safety Conference	Nassau, Bahamas	1
Information Technology:	Aclara Client Conference 2015	Nashville, Tennessee	1
	Carilec's ICT/OT Seminar	St. Lucia	1
	ITIL Foundation 2011 Edition	Online course	1
Finance:	Aclara Client Conference 2015	Nashville, Tennessee	2
	Baker Tilly Workshop	Moorings Marina Inn	3
Human Resource:	Webinar - Performing PV Impact Studies and Hosting Capacity Quantification using Synergi Electric	BVIEC	2
	Caribbean Clean Energy Technology Symposium	St. Thomas, USVI	1
	Utility Solar Conference	San Diego, CA	1
	Carilec's CEO's and Finance Conference	Punta Cana	1
	Wartsila Executive Days 2015	Santo Domingo	1
Generation:	Webinar - Performing PV Impact Studies and Hosting Capacity Quantification using Synergi Electric	BVIEC	2
	Wartsila Technical Days	Miami, Florida	2
	Microsoft Office Pro Level 1	HLSCC	3
	Basics in Business Communication	HLSCC	1
	Carilec's Power Plant Operator Level 1	BVIEC	4
	Carilec's Engineering and Occupational Health and Safety Conference	Nassau, Bahamas	1
	Carilec's Renewable Energy Forum	Guadeloupe	1

INFORMATION TECHNOLOGY

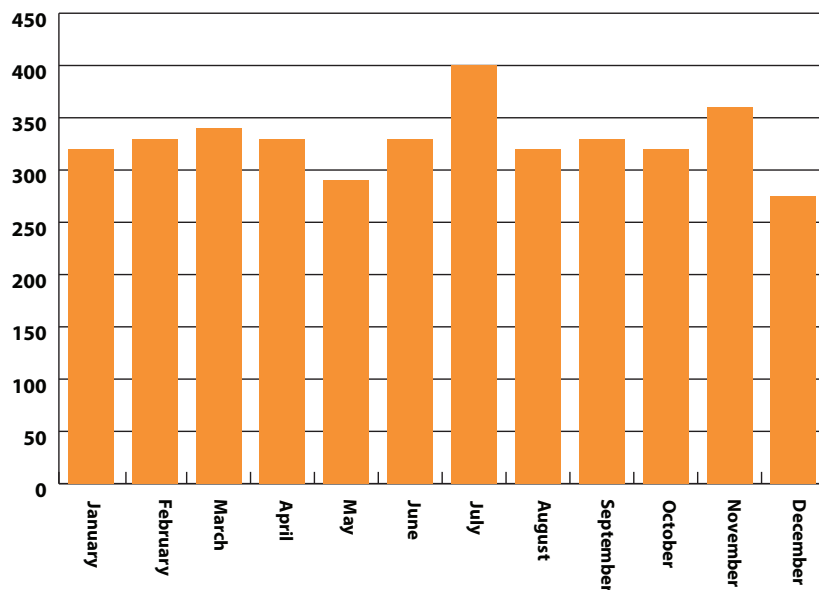


BVIEC INFORMATION TECHNOLOGY DEPARTMENT

Website Development

Total collections through the online payment portal for 2015 amounted to \$3,920,873. The average collected per month was \$326,739 with an average monthly transaction count of 1,578. A total of 7,181 website user accounts were registered on the system at the end of the year. Pre-authorized Recurring Payment System processing was not operational for most of the year.

Online Portal Revenue (2015)



The Northstar Customer Information System was upgraded in June. The purpose of the upgrade was to improve the security of the system as well as a streamlining of the Northstar versions released by the system vendors to their customers. The vendors indicated that this standardization of versions would ensure more consistent delivery of maintenance services to their customers' solutions.

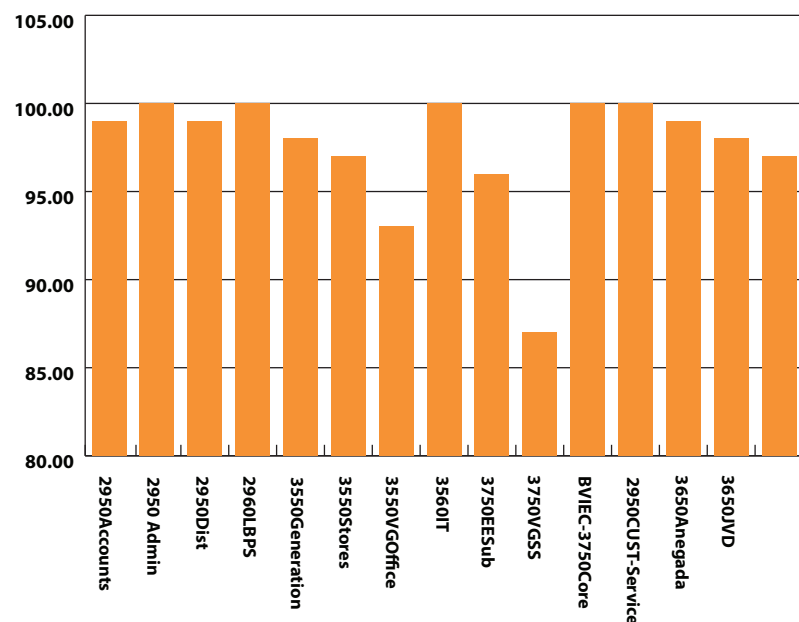
Network Performance

Wide Area network connectivity to Anegada and Jost Van Dyke was restored this year. The performance of the connections proved to be adequate to effectively support the required normal business operations at these locations. Average network availability throughout the offices of the Corporation was 97.58%. This was due to consistent intermittent connectivity to the remote offices of Virgin Gorda and the substations in Long Swamp and Fisher's Cove.

Financial Management System

BDO Canada supported by the local BDO office conducted a workshop with BVIEC staff geared at uncovering the high-level requirements for a new system. They subsequently submitted an implementation proposal. The Corporation decided that the appointed project team must engage in a proper due diligence exercise to ensure that expectations are adequately met and in turn result in a successful technology transformation. This initiative was eventually delayed pending the resolution of the issues outstanding with the Customer Information System.

Average Network Switch Uptime (%) - 2015

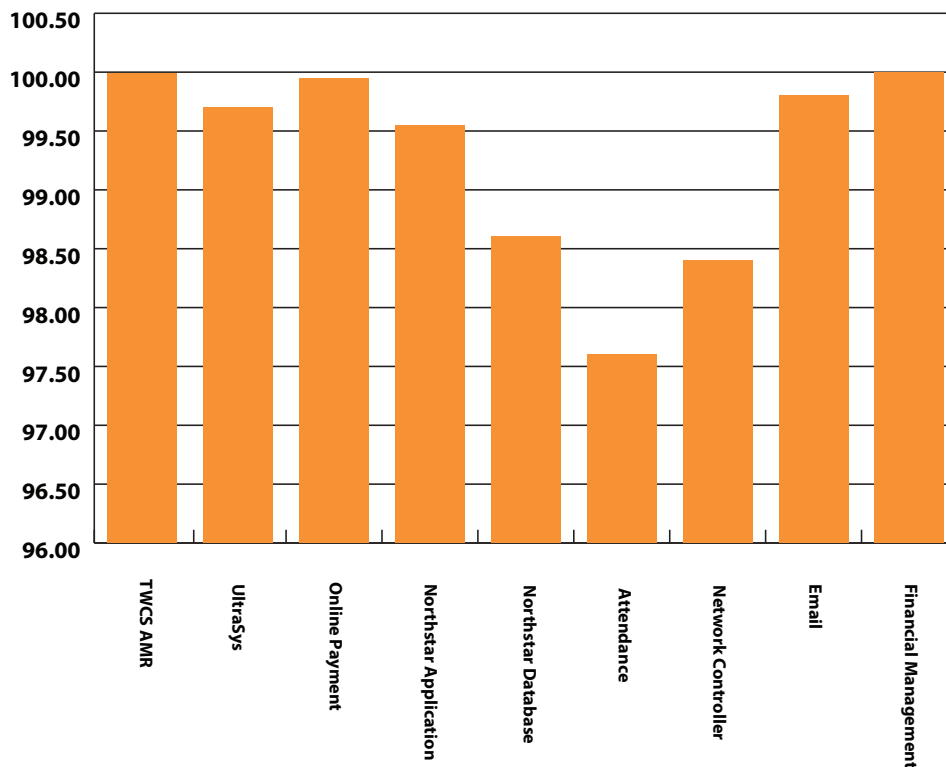


The preparation of the fiber cables between the Long Swamp and Fisher's cove substations for the provision of Dark Fiber services to interested customers was completed. Contract negotiations commenced with one such entity but was incomplete at the end of the year.

The TNS Clerk was officially assigned to the Department during the latter part of the year. The job function includes monitoring, initial troubleshooting and reporting of the system and its performance.

Servers and PCs

Average Server Availability (%) - 2015



Due to the discontinuation of support for the older Microsoft software systems, all personal computers were upgraded from Windows XP to Windows 7 except for the Engine SCADA and Distribution ESCADA systems in Pockwood Pond. Several server systems were also upgraded Windows Server 2012. The redesign of the server systems architecture resulted in zero unplanned downtime throughout the year.

Advanced Metering

One of the major issues that occurred last year continued to plague the system during the early portion of this year which was the system susceptibility to feeder switches. This matter was eventually resolved with the training and use of the Outage Management Module of the AMR system. System stability was also affected by frequent load shedding, transformer shutdowns and network link failures. Despite the problems, the system continued to significantly reduce the need for manual reading and data entry of meter data used for billing.

Human Resources

Multiple members of the department completed training in Cisco network specialization and general network administration and maintenance. Training on the Information Technology Infrastructure Library (ITIL) was also imparted on one member. One department member attended the Aclara (advanced metering) Client Conference and I, as the Department Head attended the first Carilec Information Technology/ Operation Technology Seminar held in St. Lucia.

As indicated before a new member of the Department, Jamal Samuel, joined as the TNS Clerk.

Future Initiatives

Information Technology Department major initiatives planned for the year 2016 include:

1. Backup and High Availability Development
2. AMR Systems Upgrade
3. Messaging Systems Upgrade
4. PBX System Installation
5. Computer Systems and Server Upgrades
6. IT Office and Storage Renovations
7. Network Infrastructure Upgrade

STATISTICS



- CENTRE Dealer #1
- CENTRE RepOffice
- SOUTH Dealer #1
- WEST Dealer #1
- WEST RepOffice
- SOUTH Dealer #2
- WEST Dealer #2



Generation and Sales Statistics

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Units Generated (MWh)	158,303	166,166	179,434	180,080	186,675	196,103	191,227	197,116	196,658	197,243	210,176
Annual Increase (%)	8.40%	4.97%	7.98%	0.36%	3.66%	5.05%	-2.49%	3.08%	-0.23%	0.30%	6.56%
Units Sent Out (MWh)	145,406	152,873	168,333	173,168	180,111	188,458	186,452	190,923	190,700	190,087	202,942
Annual Increase (%)	7.34%	5.14%	10.11%	2.87%	4.01%	4.63%	-1.06%	2.40%	-0.12%	-0.32%	6.76%
Units Sold (MWh)	140,315	148,097	155,552	156,100	161,775	172,121	166,315	171,189	173,097	179,032	181,215
Annual Increase (%)	8.40%	5.55%	5.03%	0.35%	3.64%	6.39%	3.37%	2.93%	1.11%	3.43%	1.22%
Loss % Net Generation	3.50%	3.12%	7.59%	9.86%	10.18%	8.67%	10.80%	10.34%	9.23%	5.82%	10.71%
Max. Demand (KW)	26,750	27,240	28,840	29,510	31,020	32,660	31,560	31,500	30,850	31,580	33,790
Annual Increase (%)	12.21%	1.83%	5.87%	2.32%	5.12%	5.29%	-3.37%	-0.19%	-2.06%	2.37%	7.00%
System Load Factor (%) (generated basis)	67.56%	69.64%	71.02%	69.66%	68.70%	68.54%	69.17%	71.43%	72.77%	71.30%	71.01%
Customers at Year End	13,068	13,438	13,940	14,376	14,813	15,174	15,428	16,093	15,906	16,211	16,606
(%) Increase	3.63%	2.83%	3.74%	3.13%	3.04%	2.44%	1.67%	4.31%	-1.16%	1.92%	2.44

Units Generated at Pockwood Pond and Long Bush Power Stations

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	11,705	12,004	12,972	14,115	14,612	14,557	16,107	15,669	15,387	15,975	16,565	16,218
February	11,055	10,929	11,577	13,057	13,946	13,349	15,267	14,525	14,837	14,539	15,198	15,011
March	11,594	13,342	13,502	13,973	14,494	14,474	17,175	15,708	16,044	16,380	16,179	16,361
April	12,039	13,287	13,400	14,363	14,759	14,976	16,495	15,506	15,834	16,089	16,851	16,837
May	12,268	13,405	14,484	15,942	16,305	15,572	17,268	16,156	16,778	16,819	16,718	16,520
June	12,804	14,262	14,403	15,709	15,894	15,847	17,141	16,770	17,328	16,583	16,970	18,858
July	13,373	14,418	14,785	16,538	16,648	17,204	17,403	17,206	17,660	17,501	17,962	19,287
August	12,826	13,575	14,250	15,600	15,356	16,553	16,377	15,937	16,587	16,965	16,633	18,006
September	11,654	13,315	12,941	14,822	14,587	15,252	15,629	15,546	16,335	16,106	15,274	17,392
October	12,395	13,091	14,589	15,400	14,570	16,381	15,199	16,812	16,957	16,923	16,751	18,819
November	11,861	13,444	14,702	14,714	14,417	16,148	16,459	15,734	16,561	16,161	16,195	17,285
December	12,460	13,230	14,560	15,200	14,491	16,363	15,581	15,659	16,806	16,617	15,947	17,583
Total	146,034	158,303	166,166	179,433	180,079	186,675	196,103	191,227	197,114	196,658	197,243	208,177

Generating Units (Long Bush)

Units	11
Installed KVA	3,210
Installed KW	2,568
Effective KW	1,600
Engine Mfr.	Mirrlees
Engine Model	K6MK11
Engine Speed rpm	600
Alternator	Brush
Generating Voltage	13,200
Installation year	1983
Commissioned	Dec.
Age in years	31.08
Total run hours 2015	1,272
Hours run to 31/12/2015	14,702

Generating Units (Pockwood Pond)

Units	1	2	3	4	5	6	7	8	9
Installed KVA	3,891	3,891	6,875	6,875	7,063	7,063	7,063	7,063	2,500
Installed KW	3,112	3,112	5,500	5,500	5,500	5,500	5,500	5,500	2,000
Effective KW	2,000	2,000	5,500	5,500	5,500	5,500	5,500	5,500	1,000
Engine Mfr.	Mirrlees	Mirrlees	Wartsila	Wartsilla	Wartsilla	Wartsilla	Wartsilla	Wartsilla	Cummins
Engine Model	KMAJMK3	KMAJMK3	9L38	9L38	9L38	9L38	9L38	9L38	QSK60-G6
Engine Speed rpm	600	600	600	600	600	600	600	600	1800
Alternator	Brush	Brush	ABB	ABB	ABB	ABB	ABB	ABB	Stamford
Generating Voltage	3,300	3,300	6,600	6,600	13,200	13,200	13,200	13,200	480
Installation year	1990	1990	1995	1995	2007	2007	2006	2006	2013
Commissioned	Sep.	Sep.	Nov.	Dec.	March	April	Sep.	Aug.	Dec.
Age in years	26.67	24.34	24.34	19.17	19.08	8.83	8.75	9.33	2.05
Total run hours 2015	5,338	4,179	8,126	7,930	7,402	8,282	4,209	8,334	784
Hours run to 31/12/2015	102,236	115,656	141,457	140,046	67,659	62,764	66,566	69,407	1148

Transmission & Distribution Network

Transmission & Distribution Network		2015	2014	2013
34.5 KV Underground Cable	Miles	10.67	10.67	10.67
13.2 KV Overhead Lines	Miles	212.87	211.31	209.97
13.2 KV Underground Cable	Miles	47.35	47.35	46.66
13.2 KV Submarine Cable	Miles	32	32	32
34.5 KV Overhead Cable (Double Circuit)	Miles	2.28	2.28	2.28
34.5 KV Submarine Cable (Double Circuit)	Miles	19.88	19.88	19.88
LV Overhead Lines	Miles	231.57	230.17	227.57
LV Underground Cables	Miles	77.41	75.86	74.63
No. of Transformers	No.	2204	2171	2145
Total Transformer Capacity	KVA	143,231.00	138,775.00	137,234.00
Average Size of Transformers	KVA	138.74	63.92215569	63.97855478

Transmission & Distribution Network (Anegada)

Transmission & Distribution Network		2015	2014	2013
13.2 KV Overhead Lines	Miles	16.05	16.05	16.05
13.2 KV Underground Cable	Miles	0.1468	0.1468	0.1468
LV Overhead Lines	Miles	9.51	9.51	9.51
LV Underground Cables	Miles	0.72	0.72	0.72
No. of Transformers	No.	61	61	61
Total Transformer Capacity	KVA	2011.5	2011.5	2011.5
Average Size of Transformers	KVA	32.98	32.98	32.98
Streetlights - a) No.		121	121	121
b) Wattage		16050	16050	16050

Customer Sales (Main Network)

Customer & Sales		2013	2014	2015
Customers at 31 st December	No.	16,191	16,399	16,606
Units Sold	KWH	173,096,871	179,032,360	187,878,731
Average units/ customers/ month	KWH	890.9109536	909.7727504	942.82554
Total Revenue	\$	67,380,191	67,837,180	54,238,388
Revenue/ Unit Metered	\$/KWH	0.38926	0.37891	0.28869
Total Operating Expenditure	US\$	61,982,317	59,713,298	46,448,587
Cost/ Unit Metered	US\$/KWH	0.35808	0.33353	0.24723
Estimated Population of Territory	No.	28,514	28,804	29,151

Customer Sales (Anegada)

Customer & Sales		2013	2014	2015
Customers at 31 st December	No.	221	222	228
Units Sold	KWH	1,322,827	1,379,818	1,476,310
Average units/ customers/ month	KWH	498.80	517.95	539.59
Total Revenue	\$	531,111	538,745	453,076
Revenue/ Unit Metered	\$/KWH	0.4015	0.3904	0.3069
Total Operating Expenditure	US\$	671,205		348,404
Cost/ Unit Metered	US\$/KWH	0.507401951	0	0.235996505
Estimated Population of Anegada	No.	308	311	315
Units/ head of population/ month	KWH	358.16	369.83	390.56
Streetlights - a) No.		121	121	121
b) Wattage	W	16,050	16,050	16,050

Sales By Island

Island	2013	2014	2015
Tortola	\$51,309,501.12	\$51,769,315.74	\$42,034,997.00
Virgin Gorda	\$11,222,219.23	\$11,064,732.04	\$9,025,628.00
Anegada	\$531,111.49	\$538,745.44	\$453,076.00
JostVan Dyke	\$641,897.87	\$662,026.80	\$590,433.00
Camanoe	\$1,467,892.27	\$1,356,924.95	\$1,115,884.00
Streetlighting	\$1,719,292.23	\$1,675,752.15	\$1,354,999.00
Total	\$66,891,914.21	\$67,067,497.12	\$54,575,017.00

2015 Summary of units sold

Customer Type	Units Sold kwh	No. Of Customers	Sales (\$1000)
Domestic	57,444,468.00	14,271	17,740,182.00
Commercial	117,507,081.00	2,309	33,050,650.00
Industrial	9,064,262.00	25	2,429,186.00
Streetlighting	3,862,920.00	1	1,354,999.00
Total	187,878,731.00	16,606	54,575,017.00

Streetlighting

Island	Type of Fixture	Wattage	Quantity	Total Wattage
Tortola	Urbis	70	1,189	83,230
	Sodium	150	884	133,800
	Mercury	175	499	87,325
	Sodium	250	35	8,750
	Sodium	400	2	800
	LED	40	38	1,520
	LED	42	2	84
	LED	46	2	92
	LED	53	16	848
	LED	54	14	756
	LED	58	33	1,914
	LED	60	16	960
	LED	70	10	700
	LED	130	18	2,340
	LED	135	14	1,890
	LED	140	16	2,240
	LED	158	42	6,636
	LED	168	15	2,520
	LED	172	16	2,752
	Solar	40	2	80
	Solar	70	4	280
Solar	98	21	2,058	
	Metal Halide	1500	1	1,500
	Tungsten	100	2	200
	Total		2,891	343,275
Virgin Gorda	Mercury	175	62	10,850
	Sodium	150	158	23,900
	Urbis	70	153	10,710
	Total		373	45,460
Jost Van Dyke	Mercury	175	9	1,575
	Sodium	150	62	9,500
	Urbis	70	43	3,010
	Total		114	14,085
Anegada	Mercury	175	20	3,500
	Sodium	150	61	9,750
	Urbis	70	40	2,800
	Total		121	16,050
Grand Total			3,499	418,870

Vehicle Fleet Listing

Item	Des.	Number	Type	Year	Section	Location
1	GSB	12	Freightliner Bucket Truck	2015	Distribution	Tortola
2	GSB	5	Nissan Frontier	2015	Generation	Tortola
3	GSB	4	Nissan Frontier	2015	Distribution	Tortola
4	GSB	39	Nissan Frontier	2015	Distribution	Tortola
5	GSB	49	Chevy 3500 Dumptruck	2015	Distribution	Tortola
6	GSB	7	GMC Yukon	2015	Administration	Tortola
7	GSB	26	Chevrolet 2500	2015	Administration	Tortola
8	GSB	19	Chevrolet 3500 Double Cab	2015	Distribution	Tortola
9	GSB	42	Chevrolet Silverado	2014	Distribution	Tortola
10	GSB	25	Chevrolet Silverado	2014	Distribution	Tortola
11	GSB	38	Chevrolet Silverado	2014	Distribution	Tortola
12	GSB	8	Chevrolet Silverado	2014	Distribution	Tortola
13	GSB	28	Chevrolet Silverado	2014	Distribution	Tortola
14	GSB	29	Nissan Frontier	2014	Distribution	Tortola
15	GSB	31	Kia Sportage	2013	Customer Services	Virgin Gorda
16	GSB	133	Suzuki Jimny	2012	Meter Readers	Tortola
17	GSB	22	Nissan Frontier	2012	Distribution	Tortola
18	GSB	23	Nissan Frontier	2012	Distribution	Tortola
19	GSB	45	Nissan Frontier	2012	Generation	Tortola
20	GSB	47	Nissan Frontier	2012	Distribution	Tortola
21	GSB	1	Hyundai Tucson	2011	Administration	Tortola
22	GSB	33	Mitsubishi Montero	2011	Distribution	Tortola
23	GSB	44	Hyundai Vera Cruz	2011	Finance	Tortola
24	GSB	128	Chevy Colorado	2011	IT	Tortola
25	GSB	129	Chevrolet Silverado	2011	Distribution	Tortola
26	GSB	130	Chevrolet Silverado	2011	Distribution	Tortola
27	GSB	131	Chevrolet Silverado	2011	Distribution	Tortola
28	GSB	134	Nissan Frontier	2011	Generation	Tortola
29	GSB	9	Nissan Frontier	2010	Distribution	Virgin Gorda
30	GSB	41	Suzuki Jimny	2010	Customer Services	Virgin Gorda
31	GSB	43	Suzuki Jimny	2010	Meter Readers	Tortola
32	GSB	77	Suzuki Jimny	2010	Meter Readers	Tortola
33	GSB	78	Suzuki Jimny	2010	Meter Readers	Tortola
34	GSB	3	Mitsubishi Montero	2009	Administration	Tortola
35	GSB	34	Suzuki Jimny	2009	Customer Services	Tortola
36	GSB	24	Chevrolet Colorado - 4 door	2006	Distribution	Tortola
37	GSB	30	Colorado X-Cab	2006	Distribution	Tortola
38	GSB	2	Chevy Silverado	2004	Distribution	Tortola
39	GSB	32	Chevrolet 2500HD Siverado	2004	Distribution	Tortola
40	GSB	35	Chevrolet Colorado	2004	Generation	Tortola
41	GSB	46	Chevy Silverado	2004	Distribution	Tortola
42	GSB	27	Chevy Silverado 2500 HD	2002	Distribution	Tortola
43	GSB	37	Chevy Silverado 2500 HD	2002	Generation	Tortola
44	GSB	11	Chevy Silverado 2500 HD	2001	Distribution	Tortola
45	GSB	13	Ford Bucket Truck	2001	Distribution	Virgin Gorda
46	GSB	14	Ford Bucket Truck	2000	Distribution	Tortola
47	GSB	16	Ford Bucket Truck	2000	Distribution	Virgin Gorda
48	GSB	127	Chevrolet S-10	1999	Finance	Tortola
49	GSB	15	Ford Bucket Truck	1990	Distribution	Tortola



FINANCIAL STATEMENTS



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 31 December 2015**

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 31 December 2015 as attached hereto have been examined.

The audit examination was carried out on my behalf by the firm of chartered accountants, Baker Tilly (BVI) Limited, 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 comply with ethical requirements and 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, and in concordance with, the report submitted by the firm of chartered accountants Baker Tilly (BVI) Limited, in my opinion the financial statements present fairly in all material respects the financial position of the British Virgin Islands Electricity Corporation as at 31 December 2015 and the results of its operations for the year then ended in conformity with International Financial Reporting Standards applied on the basis consistent with the preceding year.

Amoret Davies
Acting Auditor General
30th November 2016

"Towards Greater Accountability"

**BRITISH VIRGIN ISLANDS
ELECTRICITY CORPORATION**

Financial Statements
For the year ended 31 December 2015

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Financial Statements For the year ended 31 December 2015

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BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Corporation Directory At 31 December 2015

Board of Directors

Chairman

Mr. Ron Potter

Vice Chairman

Ms. Pearl Smith

Members

Mr. Ira Oliver Skelton

Mr. Ellsworth Flax

Ms. Lucia Lettsome

Mr. Sean Palmer

Ex-officio members

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

Mr. Anthony McMaster (*Ag. Permanent Secretary – Ministry of Communications and Works*)

Registered Office

Long Bush

P.O. Box 268

Road Town, Tortola VG 1110

British Virgin Islands

Legal Advisors

O'Neal Webster

Simmonds Building

Wickhams Cay 1

30 DeCastro Street

Road Town, Tortola VG 1110

British Virgin Islands



**BAKER TILLY
(BVI) LIMITED**

Chartered Accountants

P.O. Box 650

Tropic Isle Building

Nibbs Street

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British Virgin Islands

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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 at 31 December 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 27.

This report is made solely to the Corporation's shareholders in accordance with section 21(3) of the British Virgin Islands Electricity Corporation Ordinance, 1978. Our audit work has been undertaken so that we might state to the Corporation's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation and the Corporation's shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 referred to above present fairly, in all material respects, the financial position of the Corporation as at 31 December 2015, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Supplementary information

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Corporation taken as a whole. The supplementary information included in the schedule to the financial statements set out on pages 28 and 29 is presented for the purpose of additional analysis and has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Baker Tilly (BVI) Limited

Chartered Accountants

23 November 2016

Tortola, British Virgin Islands

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Statement of Financial Position At 31 December 2015 *Expressed in U.S. Dollars*

	Note	2015	2014
Current assets			
Cash and cash equivalents		8,286,942	9,993,378
Fixed term deposits		2,696,516	812,083
Trade and other receivables	4,11	29,090,491	25,120,533
Inventory	5	8,573,501	8,958,834
Other current assets		439,855	493,811
		<u>49,087,305</u>	<u>45,378,639</u>
Non-current assets			
Property, plant and equipment	6	<u>58,196,997</u>	<u>44,013,601</u>
Total assets		<u>\$ 107,284,302</u>	<u>\$ 89,392,240</u>
Current liabilities			
Trade and other payables	7	7,613,242	4,390,242
Loans payable	8	4,333,864	2,000,532
Customers' deposits		<u>1,717,589</u>	<u>2,633,830</u>
		<u>13,664,695</u>	<u>9,024,604</u>
Non-current liabilities			
Loans payable	8	12,848,641	9,502,533
Pension fund liability	9	13,697,674	12,290,311
Deferred capital receipts	10	<u>8,366,169</u>	<u>7,228,582</u>
		<u>34,912,484</u>	<u>29,021,426</u>
Total liabilities		<u>48,577,179</u>	<u>38,046,030</u>
Equity			
Share capital	12	7,052,465	7,052,465
Contributed surplus	12	9,661,763	9,661,763
Retained earnings		<u>41,992,895</u>	<u>34,631,982</u>
Total equity		<u>58,707,123</u>	<u>51,346,210</u>
Total liabilities and equity		<u>\$ 107,284,302</u>	<u>\$ 89,392,240</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

**Statement of Comprehensive Income
For the year ended 31 December 2015**

Expressed in U.S. Dollars

	Note	2015	2014
Income			
Sale of electricity	11	<u>54,238,388</u>	<u>66,364,688</u>
Total income		54,238,388	66,364,688
Cost of sales			
Fuel cost		<u>26,253,670</u>	<u>39,754,686</u>
Gross profit		<u>27,984,718</u>	<u>26,610,002</u>
Expenses			
Generation		6,879,311	7,001,094
Depreciation	6	4,034,550	4,104,843
Distribution and transmission		2,886,077	4,729,670
General and administrative	11	2,812,205	2,463,817
Finance		1,433,288	1,243,495
Customer service and meter reading		970,979	1,023,566
Information technology		548,098	527,092
Vehicles		248,428	241,361
Other expenses		<u>381,981</u>	<u>130,345</u>
Total expenses		<u>20,194,917</u>	<u>21,465,283</u>
Operating profit		<u>7,789,801</u>	<u>5,144,719</u>
Other income/(expenses)			
Release of deferred capital receipts	10	939,197	848,985
Other income		178,565	185,299
Interest income		43,192	36,891
Foreign exchange loss		<u>(14,436)</u>	<u>(19,098)</u>
Total other income		<u>1,146,518</u>	<u>1,052,077</u>
Income before finance cost		8,936,319	6,196,796
Finance cost		<u>811,941</u>	<u>941,890</u>
Net income before taxation		8,124,378	5,254,906
Taxation	13	<u>—</u>	<u>—</u>
Net income during the year		8,124,378	5,254,906
Other comprehensive income			
Remeasurement loss on defined benefit obligation	9	<u>(763,465)</u>	<u>(1,688,739)</u>
Total comprehensive income		<u>\$ 7,360,913</u>	<u>\$ 3,566,167</u>

Refer to the schedule to the financial statements for a detailed analysis of expenses.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

**Statement of Changes in Equity
For the year ended 31 December 2015**

Expressed in U.S. Dollars

	2015			
	Share capital	Contributed surplus	Retained earnings	Total
Balance at 1 January	7,052,465	9,661,763	34,631,982	51,346,210
Net income during the year	–	–	8,124,378	8,124,378
Other comprehensive loss for the year	–	–	(763,465)	(763,465)
Total comprehensive income	–	–	7,360,913	7,360,913
Balance at 31 December	\$ 7,052,465	\$ 9,661,763	\$ 41,992,895	\$ 58,707,123

	2014			
	Share capital	Contributed surplus	Retained earnings	Total
Balance at 1 January	7,052,465	9,661,763	31,065,815	47,780,043
Net income during the year	–	–	5,254,906	5,254,906
Other comprehensive loss for the year	–	–	(1,688,739)	(1,688,739)
Total comprehensive income	–	–	3,566,167	3,566,167
Balance at 31 December	\$ 7,052,465	\$ 9,661,763	\$ 34,631,982	\$ 51,346,210

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Statement of Cash Flows

For the year ended 31 December 2015

Expressed in U.S. Dollars

	2015	2014
Cash flows from operating activities		
Total comprehensive income	7,360,913	3,566,167
Adjustments for:		
Depreciation	4,034,550	4,104,843
Finance cost	811,941	941,890
Interest income	(43,192)	(36,891)
Foreign exchange loss	14,436	19,098
	<u>12,178,648</u>	<u>8,595,107</u>
<i>Operating profit before working capital changes</i>		
Increase in trade and other receivables	(3,916,002)	(2,274,649)
Decrease/(increase) in inventory	385,333	(521,277)
Increase/(decrease) in trade and other payables	3,223,000	(1,707,710)
(Decrease)/increase in customer deposits	(916,241)	450,518
Increase in pension fund liability	1,407,363	2,156,180
Increase/(decrease) in deferred capital receipts	1,137,587	(467,099)
	<u>13,499,688</u>	<u>6,231,070</u>
<i>Cash flows from operating activities</i>		
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,217,946)	(1,601,619)
Purchase of fixed term deposits	(1,884,432)	(812,083)
Interest received	43,192	36,891
	<u>(20,059,186)</u>	<u>(2,376,811)</u>
<i>Cash flows from investing activities</i>		
Cash flows from financing activities		
Net proceeds/(repayment) of loans payable	5,679,439	(2,000,532)
Interest paid	(811,941)	(941,890)
	<u>4,867,498</u>	<u>(2,942,422)</u>
<i>Cash flows from financing activities</i>		
Net (decrease)/increase in cash and cash equivalents	(1,692,000)	911,837
Cash and cash equivalents at beginning of year	9,993,378	9,100,639
Effect of exchange rate fluctuations on cash and cash equivalents	(14,436)	(19,098)
	<u>(14,436)</u>	<u>(19,098)</u>
Cash and cash equivalents at end of year	<u>\$ 8,286,942</u>	<u>\$ 9,993,378</u>
Cash and cash equivalents comprise the following items:		
Cash on hand	3,600	3,600
Cash at bank	8,283,342	8,373,369
Short-term deposits	—	1,616,409
	<u>8,286,942</u>	<u>9,993,378</u>
Cash and cash equivalents	<u>\$ 8,286,942</u>	<u>\$ 9,993,378</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

1. GENERAL INFORMATION

The British Virgin Islands Electricity Corporation (the “Corporation”) is a corporate body established in the British Virgin Islands under the British Virgin Islands Electricity Corporation Ordinance, 1978 (the “Ordinance”) 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 (U.S.) Dollars, rounded to the nearest Dollar.

The financial statements were authorised for issue by the Board of Directors on 23 November 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Corporation’s financial statements are set out below.

(a) Statement of compliance

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

(b) Basis of preparation

The financial statements are prepared on the basis of historical costs and do not take into account increases in the market value of assets.

The accounting policies have been applied consistently by the Corporation and are consistent with those used in the previous year.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2015 that would be expected to have a material impact on the Corporation’s financial statements.

(c) Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Estimation of provision for doubtful accounts

Recoverability of specific receivables and other asset items is evaluated based on the best available facts and circumstances, including but not limited to, the length of the Corporation’s relationship with its debtors and debtors’ payment behaviour. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated to be uncollectible. The total provision for doubtful accounts as at 31 December 2015 was \$497,028 (2014: \$495,213). Refer to note 4.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES

(c) Use of estimates

Determination of net realisable value of inventory

The Corporation's estimates of the net realisable values of inventory are based on the most reliable evidence available, at the time the estimates are made, of the amount that the inventory is expected to be realised at. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventory to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of a change in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realisable value. Inventory stated at net realisable value as at 31 December 2015 was \$8,573,501 (2014: \$8,958,834). Refer to note 5.

Estimation of useful lives and residual values of property, plant and equipment

The estimated useful lives and residual values of property, plant, and equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives and residual values of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and legal or other limits on the use of the assets. The carrying value of property, plant and equipment as at 31 December 2015 was \$58,196,997 (2014: \$44,013,601). As of 31 December 2015 and 2014, the Corporation's property, plant and equipment had no residual value. Refer to note 6.

Determination of impairment of property, plant and equipment

The Corporation determines whether its property, plant and equipment are impaired on a regular basis. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Corporation's financial condition and results of operations. While management believes that the assumptions made are appropriate and reasonable, significant changes in assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under IFRSs. There were no impairment losses recognised on property, plant and equipment as of 31 December 2015 and 2014. Refer to note 6.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are classified as loans and receivables.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Loans and receivables

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

The Corporation determines its allowance by considering a number of factors, including the length of time trade receivables are past due, the Corporation's previous loss history, the customer's current ability to pay its obligation to the Corporation, and the condition of the general economy and the industry as a whole. 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 the collection outweigh the likelihood of recovery.

(e) Financial liabilities at amortised cost

Financial liabilities measured at amortised cost are non-derivative contractual obligations to deliver cash or another financial asset to another entity. These comprise trade and other payables, loans payable and customers' deposits.

These financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

(f) Other specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash deposited with banks and short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from the date of acquisition.

Fixed term deposit

Fixed term deposit is a term deposit held at a financial institution that is generally short-term with maturities ranging from more than three (3) months to a year. When a term deposit is purchased, the money can only be withdrawn after the term has ended or by giving a predetermined number of days' notice.

Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Inventory

Fuel items

Fuel items are carried at cost which is determined on a first-in, first-out basis. The cost includes the cost of bringing these items to their existing location and condition.

Non-fuel items

Non-fuel items are carried at the lower of cost and net realisable value. The cost of inventory is based on the weighted average cost principle which is also reduced by a specific provision for obsolete items, as determined by management. The cost includes the cost of bringing items to their existing location and condition.

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

When items of inventory are used by the Corporation, these are transferred to property, plant and equipment or expensed as repairs and maintenance, as deemed appropriate.

(h) Property, plant and equipment

Items of property, plant and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives.

The rates of depreciation in use are based on the following estimated useful lives:

Buildings	20-40 years
Generating plant and equipment	8-25 years
Distribution and transmission equipment	5-25 years
Motor vehicles	4 years
Computer and other equipment	5-16 years
Furniture and fittings	8 years

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

The useful lives, residual values and depreciation methods are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The initial cost of an item of property, plant and equipment includes its purchase price plus any cost attributable in bringing the asset to its intended location and working condition. Cost also includes interest and other financing charges on borrowed funds used to finance the acquisition of assets to the extent incurred during the period of installation and construction.

Subsequent expenditure incurred to replace a component of an asset is capitalised only when it increases the future economic benefits embodied in that asset. All other expenditure is recognised in the statement of comprehensive income when it is incurred.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Property, plant and equipment

Construction in progress is carried at cost and transferred to the related asset account when the construction or installation and related activities necessary to prepare the asset for its intended use are complete, and the asset is ready for service. Construction in progress is not depreciated until it is brought into use.

When an asset is retired or otherwise disposed of, the cost and the related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

(i) Deferred capital receipts

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

(j) Impairment

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. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is estimated as the greater of an asset's net selling price and value in use.

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.

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

(k) Pension plan

The Corporation's net obligation in respect of its defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the unrecognised past service cost and fair value of plan assets are deducted. The discount rate is the yield at the reporting date in 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 by a qualified actuary using the projected unit credit method.

The Corporation must meet the balance of the cost of funding the Pension Fund and the Corporation must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (annual) actuarial valuations of the Pension Fund.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Pension plan

In calculating the Corporation's obligation in respect of its defined benefit pension plan, all actuarial gains and losses are recognised in the statement of comprehensive income. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that applies to the Corporation.

The past service cost, the service cost and the net interest expense for the year is included in the employee benefits expense in the statement of comprehensive income. The remeasurement on the net defined benefit liability is included in the statement of comprehensive income as part of other comprehensive income.

(l) Revenue and expenditure recognition

Income from the sale of electricity is recognised based on units of electricity consumed by customers multiplied by the unit price per usage. The unit price per usage is based on a standard price stated in the Corporation's by-laws. The Corporation also includes a fuel price levy in the electricity charges billed to customers.

The fuel price levy represents any fluctuations in the cost of fuel which is the difference between the standard cost of fuel and the average cost of fuel purchased.

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield of the asset or an applicable floating rate. All other income is recognised in the statement of comprehensive income on the accrual basis.

Expenses are recorded on the accrual basis.

(m) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Foreign currency transactions

Transactions in foreign currencies are converted at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the foreign currency exchange rates ruling at the statement of financial position date. Foreign currency exchange differences arising on conversion or translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost are translated at the foreign currency exchange rate ruling at the date of the transaction, or if impaired, at the date of the impairment recognition. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into U.S. Dollars at the foreign currency exchange rates ruling at the dates that the values were determined.

(o) Contingent liabilities

Certain conditions may exist as of the reporting date, which may result in a loss to the Corporation but which will only be resolved when one or more future events occur or fail to occur. The directors assess such contingent liabilities, and such assessment inherently involves an exercise of judgment.

If the assessment of a contingency indicates that there is a present obligation as a result of a past event, that it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated, then the estimated liability is accrued in the Corporation's financial statements. If the assessment indicates that there is a possible obligation, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, is disclosed.

Loss contingencies considered remote are generally not disclosed.

(p) Amended and newly issued accounting standards not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Corporation, except the following as set out below:

IAS 1, "Presentation of Financial Statements" ("IAS 1")

IAS 1 is effective from 1 January 2016 and amends IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Amended and newly issued accounting standards not yet adopted

IAS 1, "Presentation of Financial Statements" ("IAS 1")

- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and,
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IFRS 9, "Financial Instruments: Classification and Measurement" ("IFRS 9")

IFRS 9, effective for annual periods beginning on or after 1 January 2018, contains requirements in the following areas:

- **Classification and measurement.** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment.** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- **Hedge accounting.** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition.** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

During the year, the Corporation accounted for its financial assets in accordance with the classifications and measurement requirements under IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 will be applied in the Corporation's financial statements for the year ending 31 December 2018, which may result in additional disclosures to the Corporation's financial statements upon implementation.

3. FIXED TERM DEPOSITS

As at 31 December 2015, the Corporation had fixed term deposits totalling \$2,696,516 (2014: \$812,083). These deposits earn interest ranging between 0.65% to 1.35% per annum and will automatically renew upon their maturity, which are between six (6) to twelve (12) months.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

Expressed in U.S. Dollars

4. TRADE AND OTHER RECEIVABLES

	2015	2014
Accounts receivable, trade (refer also to note 11)	26,653,150	22,805,080
Other receivables	<u>2,934,369</u>	<u>2,810,666</u>
	29,587,519	25,615,746
Provision for doubtful accounts	<u>(497,028)</u>	<u>(495,213)</u>
	<u>\$29,090,491</u>	<u>\$25,120,533</u>

5. INVENTORY

	2015	2014
Generating plant and equipment parts	5,764,469	5,646,252
Distribution and transmission parts	2,647,396	2,700,961
Diesel fuel	575,169	1,193,525
Lubricating oil	31,621	15,499
Vehicle parts	211,716	208,054
Other spare parts and supplies	52,914	46,774
Goods in transit	<u>401,285</u>	<u>258,838</u>
	9,684,570	10,069,903
Provision for obsolete inventory	<u>(1,111,069)</u>	<u>(1,111,069)</u>
	<u>\$8,573,501</u>	<u>\$ 8,958,834</u>

During the year, the Corporation did not recognise any additional provision for obsolete inventory.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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6. PROPERTY, PLANT AND EQUIPMENT		Land & buildings	Generating plant & equipment	Distribution & transmission equipment	Motor vehicles	Computer & other equipment	Furniture & fittings	Work in progress	Total
Cost									
At 1 January 2015		17,871,199	59,405,733	49,376,401	1,792,469	3,096,563	414,209	821,946	132,778,520
Additions during the year		69,823	58,081	1,627,761	564,197	347,950	12,741	15,537,393	18,217,946
Write-offs		—	—	—	(342,177)	—	—	—	(342,177)
At 31 December 2015		17,941,022	59,463,814	51,004,162	2,014,489	3,444,513	426,950	16,359,339	150,654,289
Accumulated depreciation									
At 1 January 2015		8,850,806	38,963,958	37,799,991	1,546,870	1,318,499	284,795	—	88,764,919
Charge for the year		415,523	1,395,701	1,676,792	208,888	296,633	41,013	—	4,034,550
Write-offs		—	—	—	(342,177)	—	—	—	(342,177)
At 31 December 2015		9,266,329	40,359,659	39,476,783	1,413,581	1,615,132	325,808	—	92,457,292
Net book value									
At 31 December 2015		\$ 8,674,693	\$ 19,104,155	\$ 11,527,379	\$ 600,908	\$ 1,829,381	\$ 101,142	\$ 16,359,339	\$ 58,196,997
At 31 December 2014		\$ 9,020,393	\$ 20,441,775	\$ 11,576,410	\$ 245,599	\$ 1,778,064	\$ 129,414	\$ 821,946	\$ 44,013,601

The Corporation's management, after due consideration of the assessment of their assets for impairment, believes that there are no indications that the property, plant and equipment as of 31 December 2015 and 2014 are impaired or their carrying amounts cannot be recovered.

Fully depreciated property, plant and equipment not written-off as at 31 December 2015 amounted to \$48,283,354 (2014: \$47,507,676).

The amount of borrowing costs capitalised for the year ended 31 December 2015 was \$26,298 (2014: \$nil). The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 3.5% (2014: nil%).

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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7. TRADE AND OTHER PAYABLES

	2015	2014
Accounts payable	7,303,139	4,085,429
Accrued expenses	<u>310,103</u>	<u>304,813</u>
	<u>\$7,613,242</u>	<u>\$4,390,242</u>

Accounts payable and accrued expenses include outstanding creditor balances, accrued payroll and other employee benefits, accrued professional fees and other accrued expenses.

8. LOANS PAYABLE

	2015	2014
Banco Popular de Puerto Rico		
\$30,008,000 was borrowed in connection with the Phase IV Development Programme. The loan is repayable in 60 quarterly instalments which commenced 31 December 2005 and bears interest at a fixed rate of 5.5% per annum. This loan is secured by assets of the Corporation and is guaranteed by the Government.	9,502,533	11,503,065
Repayable within one year	<u>(2,000,532)</u>	<u>(2,000,532)</u>
Repayable outside of one year	<u>\$7,502,001</u>	<u>\$ 9,502,533</u>
British Virgin Islands Social Security Board		
\$8,263,305 of the \$35,000,000 total value of the loan, was borrowed in connection with the Phase V Development Programme. The loan is repayable over fifteen (15) years or sixty (60) quarterly instalments which commenced on 31 October 2015 and bears interest at a fixed rate of 3.5% per annum for the first 7 years and 5.0% for the next 8 years. This loan is secured by assets of the Corporation and is guaranteed by the Government.	7,679,972	—
Repayable within one year	<u>(2,333,332)</u>	<u>(—)</u>
Repayable outside of one year	<u>\$5,346,640</u>	<u>\$ —</u>

Revolving line of credit

The Corporation has a \$2,000,000 revolving line of credit which bears interest at prime rate plus 0.5% per annum and is secured by a charge over the assets of the Corporation and an unconditional and irrevocable guarantee from the Government. As at 31 December 2015 and 2014, the facility was unused.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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8. LOANS PAYABLE (Cont'd)

Overdraft facility

The Corporation has the following facilities available from Scotia Bank (BVI) Limited:

	Amount authorised	Rate
Operating line of credit	\$800,000	Prime rate + 1%
Standby line of credit	\$1,000,000	Prime rate + 1%

Both of the facilities bear interest at prime rate plus 1% per annum. The standby line of credit is subject to a standby fee of ½% of the amount authorised or \$5,000 per annum. These facilities are secured by an unconditional and irrevocable guarantee from the Government. As at 31 December 2015 and 2014, these facilities were unused.

9. PENSION FUND LIABILITY

The Corporation has established a defined benefit plan which is fully funded. The assets of the plan are held independently of the Corporation's assets. The plan is valued by independent actuaries with the most recent valuation being carried out on 15 March 2016.

	2015	2014
Present value of funded obligations	28,055,338	26,732,772
Fair value of plan assets	<u>(14,357,664)</u>	<u>(14,442,461)</u>
Liability in the statement of financial position	<u>\$13,697,674</u>	<u>\$12,290,311</u>

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

	2015	2014
Current service cost	1,038,980	927,673
Net interest on net defined benefit liability/(asset)	590,202	532,730
Administrative expense allowance	<u>25,258</u>	<u>25,200</u>
	<u>\$1,654,440</u>	<u>\$1,485,603</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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9. PENSION FUND LIABILITY (Cont'd)

The movement in the present value of the pension liability in the current year was as follows:

	2015	2014
Opening net liability	12,290,311	10,134,131
Unrecognised loss in previous years charged to retained earnings	<u>-</u>	<u>-</u>
Opening net liability	12,290,311	10,134,131
Net pension cost	1,654,440	1,485,603
Remeasurements recognised in other comprehensive income	763,465	1,688,739
Corporation contributions	<u>(1,010,542)</u>	<u>(1,018,162)</u>
Closing net liability	<u>\$13,697,674</u>	<u>\$12,290,311</u>

Remeasurements recognised in other comprehensive income were as follows:

	2015	2014
Actuarial loss on obligations/adjustments	188,822	(550,560)
Actuarial loss from changes in financial assumptions	-	(1,887,391)
Expected return on plan assets	<u>(952,287)</u>	<u>749,212</u>
	<u>\$(763,465)</u>	<u>\$(1,688,739)</u>

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

	2015	2014
Discount rate	5.0%	5.0%
Rate of compensation increase	4.0%	4.0%

The major categories of plan assets are as follows:

	2015	2014
Equity securities	39.7%	40.0%
Debt securities	23.9%	26.3%
Others	<u>36.4%</u>	<u>33.7%</u>
	<u>100.0%</u>	<u>100.0%</u>

For the year ended 31 December 2015, the Corporation had paid contributions to the pension fund of \$1.011 million (2014: \$1.018).

Significant actuarial assumptions for the determination of the pension fund liability are discount rate and rate of compensation increase. The following table summarises how the pension fund liability as at 31 December 2015 would have changed as a result of an approximate 1% per annum change.

	2015	2014
Discount rate	4,738,805	4,556,825
Future salary increases	<u>(1,231,507)</u>	<u>(1,076,307)</u>
	<u>\$3,507,298</u>	<u>\$3,480,518</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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10. DEFERRED CAPITAL RECEIPTS

	2015	2014
Balance at 1 January	7,228,582	7,695,681
Customer contributions for the year	2,076,784	381,886
Released to the statement of comprehensive income	<u>(939,197)</u>	<u>(848,985)</u>
Balance at 31 December	<u>\$8,366,169</u>	<u>\$7,228,582</u>

11. RELATED PARTY TRANSACTIONS

The Corporation earned \$6,507,742 (2014: \$9,938,678) in revenue from the Government for the sale of electricity during the year. \$18,559,697 (2014: \$13,548,951) remained outstanding as at 31 December 2015. Refer also to note 14(b).

Directors' fees and expenses during the year amounted to \$129,466 (2014: \$131,413).

During the year, the Corporation paid salaries and wages of \$826,748 (2014: \$867,461) with respect to remuneration for key management personnel.

12. SHARE CAPITAL

The Corporation has an unlimited authorised share capital.

	2015	2014
Issued and fully paid: 778 shares of \$1.00 par value each	778	778
Share premium	<u>7,051,687</u>	<u>7,051,687</u>
	<u>\$7,052,465</u>	<u>\$7,052,465</u>

All shares in the Corporation are owned by the Government.

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 represents amounts contributed by the Government in addition to its subscription to the issued share capital.

13. TAXATION

In accordance with section 20 of the Ordinance, the Corporation is exempt from customs duties, land and house taxes, stamp duties and income taxes.

Effective 1 January 2005, the Government of the British Virgin Islands, by virtue of the introduction of the Payroll Taxes Act, 2004, which reduced the rate of income tax to zero, effectively abolished both personal and corporate income tax in the Territory. Further, beginning 1 January 2005, the Corporation became subject to a payroll tax equating to 6% of all salaries, wages and benefits paid to employees.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial assets of the Corporation include cash and cash equivalents, fixed term deposits and trade and other receivables. Financial liabilities include trade and other payables, loans payable and customers' deposits.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Board or Directors are discussed below.

(a) **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 U.S. Dollar. Foreign currency balances held at year end expressed in U.S. Dollars are as follows:

	2015		2014	
	Fair value	% of Total assets	Fair value	% of Total assets
Liabilities				
British Pound	\$(116,273)	(0.11)%	\$(198,707)	(0.22)%

A sensitivity analysis was performed in respect to the assets and liabilities denominated in currencies other than the U.S. Dollar and management noted that there would be no material effect to the Corporation's total equity and total comprehensive income.

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.

The table below summarises the weighted average interest rates for the interest-bearing financial instruments:

	2015	2014
Cash at bank	0.47%	0.37%
Loans payable	3.50% to 5.50%	5.50%

The Corporation is exposed to interest rate cash flow risk on cash and cash equivalents to the extent that prevailing interest rates may fluctuate on these instruments.

The Corporation is exposed to interest rate price risk on those loans with fixed interest rates to the extent that the applied interest rates may be greater than the prevailing market rates in the period to maturity.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Market risk

Interest rate risk

A sensitivity analysis was performed in respect to the interest-bearing financial instruments and management noted that there would be no material effect to the Corporation's total equity and total comprehensive income.

Commodity/price risk

The Corporation is exposed to the risk of fluctuations in prevailing market commodity prices on fuel and oil. The commodity prices are greatly affected by world economic events that dictate the level of supply and demand. The Corporation has not entered into hedged agreements to reduce its exposure to commodity price risk, since it is locked into a fixed price supply agreement until 31 August 2018 (refer to note 16).

The sensitivity analysis of the Corporation's profit before tax for changes in commodity prices is based on the assumption that year-end diesel fuel inventory prices move 22% (2014: 28%) resulting in a change of \$126,357 (2014: \$334,187), with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the historical prices of fuel from New York Harbor Ultra-Low Sulfur Diesel (ULSD) End of Day Settlement Price as regulated by the U.S. Energy Information Administration.

(b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. Financial assets which potentially expose the Corporation to credit risk consist of cash and cash equivalents, fixed term deposits and trade and other receivables. The Corporation invests available cash with banks with high credit ratings. Credit risk on trade and other receivables is limited, as these are shown net of a provision for doubtful debts. The extent of the Corporation's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Corporation's statement of financial position.

As at 31 December 2015 and 2014, the Corporation's financial assets exposed to credit risk amounted to the following:

	2015	2014
Cash and cash equivalents	8,286,942	9,993,378
Fixed term deposits	2,696,516	812,083
Trade and other receivables	<u>29,090,491</u>	<u>25,120,533</u>
	<u>\$40,073,949</u>	<u>\$35,925,994</u>

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Credit risk

Cash and cash equivalents and fixed term deposits

The Corporation held cash and cash equivalents and fixed term deposits with various financial institutions totaling \$10,983,458 (2014: \$10,805,461) as at 31 December 2015. The Corporation is subject to credit risk to the extent that these institutions may be unable to fulfil their obligations either to return the Corporation's cash and cash equivalents or repay amounts owed. The Corporation does not anticipate any losses as a result of this concentration.

Trade and other receivables - net

The aging of the Corporation's trade and other receivables as at 31 December 2015 and 2014, is as follows:

	2015		2014	
	Gross	Impairment	Gross	Impairment
Current	6,530,155	—	7,518,877	—
31 – 90 days	2,773,992	—	3,111,489	—
Over 90 days	<u>20,283,372</u>	<u>497,028</u>	<u>14,985,380</u>	<u>495,213</u>
	<u>\$29,587,519</u>	<u>\$497,028</u>	<u>\$25,615,746</u>	<u>\$495,213</u>

The movement in the allowance for doubtful accounts as at 31 December 2015 and 2014 is as follows:

	2015	2014
Balance at 1 January	495,213	658,878
Additional allowance	17,624	—
Accounts written-off during the year	(15,809)	(163,665)
Balance at 31 December	<u>\$497,028</u>	<u>\$495,213</u>

Of the total balance over 90 days, only \$497,028 (2014: \$495,213) is considered impaired and was fully provided in the provision for bad debts. This relates to the portion of the receivable which the Corporation is not certain that it will recover.

The Corporation requires security deposits from all customers upon application of a new service. Management performs periodic reviews of receivable balances and uses disconnection exercises to encourage payment of accounts.

The Corporation does not believe it is subject to any significant concentration of credit risk as its private accounts receivable are largely derived from sales of electricity supplied to consumers throughout the British Virgin Islands.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Credit risk

Trade and other receivables - net

As at 31 December 2015 and 2014, the Corporation's receivables from the Government were as follows:

	2015	2014
Current	857,019	885,756
31 – 90 days	1,761,085	1,849,738
Over 90 days	<u>15,941,593</u>	<u>10,813,457</u>
	<u>\$18,559,697</u>	<u>\$13,548,951</u>

The balances due from the Government are expected to be repaid and the risk of default is considered minimal by management.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due.

The Corporation's approach to managing its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed.

The following are the contractual maturities of financial liabilities based on contractual undiscounted payments:

	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
2015					
Trade and other payables	7,613,242	—	—	—	7,613,242
Loans payable	—	2,166,932	2,166,932	12,848,641	17,182,505
Customers' deposits	1,717,589	—	—	—	1,717,589
Pension fund liability	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,697,674</u>	<u>13,697,674</u>
	<u>\$9,330,831</u>	<u>\$2,166,932</u>	<u>\$2,166,932</u>	<u>\$26,546,315</u>	<u>\$40,211,010</u>
2014					
Trade and other payables	4,390,242	—	—	—	4,390,242
Loans payable	—	1,000,266	1,000,266	9,502,536	11,503,068
Customers' deposits	2,633,827	—	—	—	2,633,827
Pension fund liability	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,290,311</u>	<u>12,290,311</u>
	<u>\$7,024,069</u>	<u>\$1,000,266</u>	<u>\$1,000,266</u>	<u>\$21,792,847</u>	<u>\$30,817,448</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

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15. FAIR VALUE INFORMATION

Many of the Corporation's financial instruments are measured at fair value in the statement of financial position. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with absolute precision. Nevertheless, fair values can be reliably determined within a reasonable range of estimates.

For certain other financial instruments, including cash and cash equivalents, fixed term deposits, trade and other receivables, trade and other payables, loans payable - current and customer deposits, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Pension fund liability is measured at fair value based on actuarial valuation of the Pension Fund.

16. COMMITMENTS

(a) **Delta Petroleum Caribbean Limited ("Delta")**

On 30 August 2014, the Corporation entered into a contract with Delta Petroleum Caribbean Limited ("Delta") for the exclusive supply of 72,140,300 U.S. gallons of refined petroleum products for the period covering 1 September 2014 to 31 August 2018. Based on fuel prices as at 31 December 2015, the remaining volume of the contract as of that date was 53,763,800 (2014: 67,552,300) U.S. gallons and its contract value was approximately \$153,535,498 (2014: \$192,419,407). Refer also to note 18.

(b) **Wartsila Finland Oy ("Wartsila")**

On 6 March 2015, the Corporation entered into a contract with Wartsila Finland Oy ("Wartsila") involving the Phase V Development Programme – Package A. This project involves extending the present primary power station located at Pockwood Pond to accommodate four (4) generating units and the installation of various generating, distribution and transmission equipment. The estimated cost of the Package A project was \$31,315,149 and the project commenced on 29 July 2015.

On 18 August 2015, the Corporation issued variation order BVI A001 to the Package A project with Wartsila for the supply of electrical equipment for the Long Bush sub-station valued at \$788,295. This variation order is as directed under Clause 13 of the Conditions of the Contract to make variations in the works for the Phase V Development Programme: Package A – Pockwood Pond Power Station.

On 6 November 2015, Wartsila issued negative change order BVI A002 for slope protection, erosion protection, and flood ditches. By this variation order all works related to slope protection, erosion protection, and flood ditches was transferred from Wartsila to the Corporation's scope of work, and the work will now be performed under Wartsila's supervision. The contract price was adjusted reducing it by \$500,000.

On 11 December 2015, the Corporation executed variation order Expansion Scope. This variation expands the scope of the project by adding one (1) 9L46 diesel oil fired generating set complete with all associated mechanical and electrical equipment and required civil works. This has increased the contract price of Package A by \$8,161,281.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Notes to and forming part of the Financial Statements

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16. COMMITMENTS (Cont'd)

(b) Wartsila Finland Oy (“Wartsila”)

On 25 February 2016, the Corporation issued variation order BVI A003. This variation expands the scope of the project by adding the foundation for a fourth (4th) generating unit. This has increased the contract price by \$161,704 bringing the total contract value to \$39,926,429.

(c) K-Line International (Canada) Ltd. (“K-Line”)

On 8 April 2015, the Corporation entered into a contract with K-Line International (Canada) Ltd. (“K-Line”) involving the Corporation’s Phase V Development Programme – Package B. This project involves infrastructure reinforcement through the installation of two (2) new one hundred eighty five (185) square millimetre power cables between the Pockwood Pond Power Station and the Long Bush Power Station. The estimated cost of the Package B project was \$6,009,105 and the commencement date was on 14 April 2015.

(d) Other

The Corporation also has a commitment under the Phase V project which will include earthworks, preparation for additional costs associated with future fuel storage, soil stabilisation, Long Bush sub-station building extension, Long Bush sub-station electrical equipment and consultancy costs. These works have been awarded to various contractors, and the total cost has been estimated at \$4,356,102. Therefore, the Corporation’s total commitment under the Phase V Development Programme inclusive of the third engine which is valued at \$8,161,281 is approximately \$12,517,383. The source of funding for these commitments will be from internally generated funds and not from loan funds.

17. CONTINGENT LIABILITY

On 31 August 2015, Mr. Alex George was electrocuted while in service as an employee of the Corporation. There was a case management hearing on 10 October 2016 and the court was advised that the parties were engaged in settlement negotiations. The Corporation is still in the process of settlement negotiation whereby the Corporation’s insurers authorise the increase in offer to \$210,000. This settlement is still outstanding.

18. SUBSEQUENT EVENTS

On 14 July 2015, after a dispute over contractual fuel delivery pricing, the Corporation sought interim injunction relief from the Eastern Caribbean Supreme Court (the “Court”) compelling Delta to continue deliveries in accordance with the terms of their renewed contract dated 30 August 2014 (refer also to note 16). Subsequently on 13 January 2016, a High Court judge ruled in favour of the Corporation and ordered Delta that specific performance should be made on the contract dated 30 August 2014 which will continue in full force and effect for the duration of tenure and that the sum of \$794,000 be paid to the Corporation as liquidated damages under the contract for the periods that they have been found liable. Delta has subsequently appealed the decision and the Corporation is awaiting the decision of the Court of Appeal.

19. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with the current year’s presentation.

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Schedule to the Financial Statements - Expenses

For the year ended 31 December 2015

Expressed in U.S. Dollars

	2015	2014
Generation		
Materials and maintenance	3,683,273	3,843,897
Wages and salaries	2,161,943	2,160,077
Social security	60,958	63,473
Pension expense	480,337	442,042
Payroll tax	94,055	97,743
Other employee expenses	128,220	139,239
Other generation expenses	270,525	254,623
	<u>\$ 6,879,311</u>	<u>\$ 7,001,094</u>
Distribution and transmission		
Materials and maintenance	174,511	1,960,389
Wages and salaries	1,672,407	1,689,873
Social security	56,862	56,810
Pension expense	445,720	402,410
Payroll tax	83,778	79,049
Other employee expenses	119,119	121,715
Other distribution expenses	333,680	419,424
	<u>\$ 2,886,077</u>	<u>\$ 4,729,670</u>
General and administrative		
Insurance	676,282	661,176
Legal and professional fees	583,477	471,505
Wages and salaries	599,206	582,875
Social security	16,159	15,584
Pension expense	188,306	159,369
Payroll tax	30,092	27,229
Other employee expenses	31,294	30,395
Other expenses	687,389	515,684
	<u>\$ 2,812,205</u>	<u>\$ 2,463,817</u>
Finance		
Wages and salaries	798,448	777,725
Social security	23,299	22,939
Pension expense	239,426	207,453
Payroll tax	37,726	36,434
Other employee expenses	47,318	47,256
Other expenses	287,071	151,688
	<u>\$ 1,433,288</u>	<u>\$ 1,243,495</u>

BRITISH VIRGIN ISLANDS ELECTRICITY CORPORATION

Schedule to the Financial Statements - Expenses (Cont'd)

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	2015	2014
Customer services and meter reading		
Wages and salaries	639,278	689,917
Social security	22,351	23,813
Pension expense	173,514	162,219
Payroll tax	22,826	25,590
Other employee expenses	54,402	60,931
Other expenses	58,608	61,096
	<u>\$ 970,979</u>	<u>\$ 1,023,566</u>
Information technology		
Wages and salaries	245,108	240,857
Social security	7,554	7,348
Pension expense	75,200	65,626
Payroll tax	12,096	11,636
Other employee expenses	13,227	13,202
Other expenses	194,913	188,423
	<u>\$ 548,098</u>	<u>\$ 527,092</u>
Vehicles		
Wages and salaries	156,969	158,573
Social security	5,872	5,814
Pension expense	51,937	46,484
Payroll tax	6,801	6,527
Other employee expenses	13,017	13,010
Other expenses	13,832	10,953
	<u>\$ 248,428</u>	<u>\$ 241,361</u>

