FOUNDATION FOR GROWTH

2013 Annual Report

JPS

www.jpsco.com

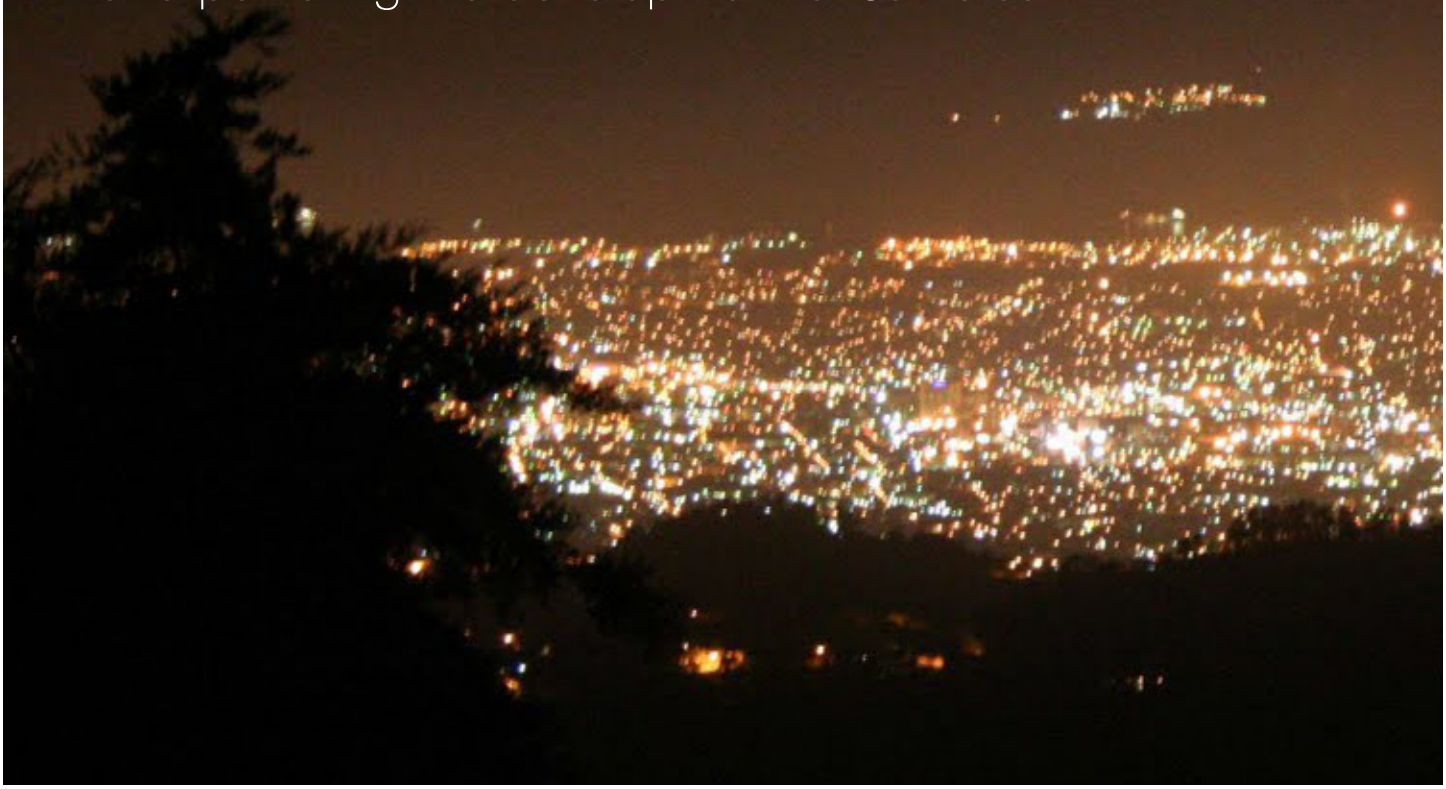
JPS Annual Report 2013

Our Vision

We are the people leading the energy revolution, unleashing Jamaica's growth and prosperity.

Our Mission

Through inspired and committed employees and innovative technologies, we deliver an energy solution for every Jamaican - improving lives, fueling the growth of businesses, and powering the development of Jamaica.



FOUNDATION FOR GROWTH

Corporate Profile

Jamaica Public Service Company Limited (JPS) is an integrated electric utility company and the sole distributor of electricity in Jamaica. The Company is engaged in the generation, transmission and distribution of electricity, and also purchases power from five Independent Power Producers.

In April 2011, Marubeni Corporation entered into a Purchase and Sale Agreement with Korea East-West Power (EWP), for joint ownership of majority shares (80%) in the Jamaica Public Service Company Ltd (JPS). The Government of Jamaica and a small group of minority shareholders own the remaining shares.

JPS currently has approximately 606,654 customers who are served by a workforce of approximately 1,690 employees.

The Company owns and operates: 4 power stations, 9 hydroelectric plants, 43 substations and approximately 14,000 kilometres of distribution and transmission lines.

Along with the provision of electricity, JPS is a key partner in national development. The company has a vibrant corporate social responsibility portfolio and makes significant contributions in the areas of education, health and sports. The company also has a strong environmental focus and carries out its operations in an environmentally friendly manner.

The Office of Utilities Regulation (OUR), is the independent regulatory agency with responsibility for the electricity sector.

FOUNDATION FOR GROWTH

Contents

Statement to Shareholders

Foundation for Growth

In 2013, JPS implemented strategic initiatives to improve service reliability and customer satisfaction, with the introduction of more innovative customer solutions.

It was a year of challenges and opportunities for the energy sector. Utilities across the globe continued to grapple with the challenges of high theft of electricity, high and fluctuating fuel costs, falling sales, regulatory inconsistencies, and the integration of additional intermittent generation sources. At the same time, however, new answers to those challenges came into view and utilities began to optimize their operations and develop new business models.

Responding to a Challenging Environment

JPS' financial results continue to underperform, as the Company posted a US$9M dollar net profit, a 25% decrease compared to 2012. These results underscore the high risk nature typical of the utility, as we were significantly impacted – both financially and operationally – by continuously high levels of theft of electricity and also a fault on one generation unit: Bogue's ST14 combined cycle unit, which took the generator offline for five months. Other challenges were macroeconomic in nature, with a decline of 2.08% in energy sales; and a 14.4% devaluation in the Jamaican Dollar.

Notwithstanding these challenges, JPS successfully managed to improve our capital structure, raising US$25 Million through a Preference Share offer – one of the largest ever made on the Jamaica Stock Exchange. In addition, JPS successfully negotiated a five-year extension of the waiver of the Special Consumption Tax (SCT) on the fuel consumed in the Bogue combined cycle plant (effective April 1st, 2013), and was the beneficiary of an amendment to the GCT Act that allowed the Company to recover the GCT it incurs on expenditure (effective June 2013). A significant development during the year was the negotiation with our lenders for an amendment to the DEBT: EBITDA ratio.

Other successes in 2013 include the implementation of various mission-critical IT systems and upgrades; improvements in service reliability; and a doubling of our customer satisfaction scores.

Transformation in Progress

JPS has been in step with worldwide responses and best practices during the year and has made a number of strategic decisions designed to meet the need of our very different customers and various stakeholder groups. Initiated in 2012, the JPS transformation process continued in 2013 with the establishment of a new Vision, Mission, Values and Strategic Goals, and a commitment to embrace the opportunities presented by the evolving energy landscape.

Several historic milestones were achieved in this regard during the year. The Company established a retail arm, the JPS eSTORES, as a tangible indication of our commitment to become more than electricity providers, but also the energy partner for individuals, communities and the nation. Additionally, the Company made significant strides in consolidating the new decentralized organizational structure, which has resulted in improved service reliability and customer satisfaction, and has allowed us to get closer to the communities we serve. Our Mission includes "an energy solution for every Jamaican" and we brought into our operations new technology to allow for prepaid metering, customer self-service, and more accurate customer information. Another significant milestone was the establishment of the JPS Foundation, to contribute to national development through support for Leadership, Energy Education and Community Empowerment.

2013 Financial and Operational Highlights

Annual Tariff Adjustment

The 2013 annual tariff adjustment determination set by the Office of Utilities Regulation (OUR) became effective July 1st 2013. The determination included an annual inflation adjustment applicable to the base rate of 10.35%, while the efficiency targets for System Losses and Heat Rate targets remained at 17.5% and 10,200 kJ/kWh respectively. We also negotiated with the OUR for the introduction of a Fuel Cost Recovery Adjustment (FCRA) mechanism during the tariff determination, to allow the Company to recover for 12 months - as of June 2013 - an additional US$1.67M/month or a total US$20M in fuel cost.

Impact of Electricity Theft

Electricity theft resulted in a net penalty of US$43.5M to JPS on the cost of fuel used in the generation of electricity. System Loss, which was 25.88% for 2013, had a negative impact of US$74.5M. This was, however, offset by the FCRA of US$10M granted by the Regulators for the period July to December 2013, and a favourable Heat Rate performance, relative to target, despite the challenges with ST14.

The system Heat Rate was 9,884kJ/kWh, which was 81kJ/kWh better than the prior year's performance (9,965 kJ/kWh). December's Heat Rate performance was the second lowest system Heat Rate in JPS' history (9,398 kJ/kWh). Even then, the absence of ST14 for the period June to November had a negative financial impact of approximately US$100,000 per day.

Reliability Improvements

Overall, there was an improvement in Transmission & Distribution (T&D) reliability in 2013, compared to 2012. T&D System Average Interruption Duration Index (SAIDI) improved by 16.2% (1,529 minutes in 2013 compared to 1,826 in 2012), while System Average Interruption Frequency Index (SAIFI) improved by 14.6% (11 times per customer compared to 12.9 times in 2012). The improvements were due to a number of targeted initiatives, and improvements in workforce management practices.

More Renewable Energy

In 2013, JPS successfully completed construction on the New Maggotty Hydroelectric power plant at a cost of US$36 Million. The new plant will add up to 7.2 MW of renewable energy to the grid, and forms part of our strategy to aggressively pursue fuel diversification to reduce the dependence on imported oil for electricity generation. During the period under review, we also explored other options for the addition of new renewable facilities to support the Government's Energy Policy.

Net Billing

Recognising the direction of the market, and in keeping with our commitment to partner with our customers, we also made a number of changes to our processes to better facilitate Net Billing. Up to the end of December 2013, we had successfully connected more than 40 Net Billing customers - from both residential and commercial customer groups.

In Summary

JPS has embarked on a transformation process that has instituted a new leadership team, redesigned training initiatives, implemented new technologies and re-evaluated core processes. We are passionate about facilitating new and cheaper generation, as the ultimate solution to high energy costs. We have continued to build the foundations required to serve the needs of Jamaica, our business and our customers. We are confident that our shareholders will see the returns on this investment in 2014 and beyond.

Mr. Hisatsugu Hirai
Chairman

Ms. Kellly Tomblin
President & CEO

Directors

Seated (L-R):
Geun Tae Kim, Kelly Tomblin – President and CEO; Hisatsugu Hirai – Chairman; Professor Gordon Shirley; Jin Won Kim

Standing (L-R):
Fitzroy Vidal, Professor Evan Duggan, Cathrine Kennedy, Hon. Charles Johnston C.D., Seiji Kawamura, Masao Imazato – Alternate Director

Inset (L-R):
Tatsuya Ozono – Director
(as of April 1, 2014)
Kengo Aoki – Alternate Director
(as of April 1, 2014)
Don Uk Kim – Alternate Director

Senior Leadership

Sam Davis – Head, Government and Regulatory Affairs
Keith Smith – VP, Technology and Innovation
Katherine Francis – General Counsel and Corporate Secretary
Gary Barrow – SVP, Customer Operations and Support Services
Sheree Martin – SVP, Customer and Corporate Services
Kelly Tomblin – President and CEO
John Kistle – SVP, Generation
Garth McKenzie – Director, Customer Solutions
Winsome Callum – Director, Corporate Communication
Aldington-Dean Smith – Senior Director, Strategy
Dan Theoc – Chief Financial Officer

Management Discussion and Analysis 2013

Results of Operations

(Expressed in United States Dollars)

Operating revenues for 2013 ($1,099 million) declined by 4% or $42 million relative to 2012 due primarily to the 2% decrease in energy sales (3,070 GWh vs 3,134 GWh) and the increased under-recovery of fuel costs. Fuel costs are passed through to customers to the extent that JPS meets the regulatory performance targets for heat rate and system losses.

The cost of sales ($833 million) declined by 3% or $29 million compared to 2012 due primarily to the decrease in the cost of fuel and partly due to the 1% improvement in our operational efficiency as measured by heat rate. The actual production (net generation) in 2013 was comparable to 2012, increasing by only 0.1% (4,142 GWh vs 4,136 GWh), despite the 2% decline in energy sales. This is explained by the rising trend in system losses, which increased from 24.22% for 2012 to 25.88% for 2013.

As a result of the above, the gross profit ($266 million) declined by 5% or $13 million in 2013 compared to 2012 and the gross profit margin fell from 24.5% to 24.2%.

Operating expenses ($192 million) decreased by 8% or $17 million relative to 2012, primarily driven by operational efficiency improvements and the concerted effort to contain costs given our financial covenant challenges throughout the year.

EBITDA improved from $119 million to $123 million in 2013, an increase of 2%. As a result, the EBITDA margin increased by 0.7% points from 10.5% to 11.2%.

Net finance costs ($62 million) increased by $9 million or 17% relative to 2012. The increase is driven primarily by the 14.4% depreciation of the Jamaica Dollar (J$) during 2013, resulting in a $6 million increase in foreign exchange losses to $21 million in total. These losses relate primarily to the settlement risk on J$ receivables (please see note 35 in the Audited Financial Statements, foreign currency risk, for further details).

Based on the foregoing, the company recorded a net profit after tax of $9.2 million for 2013, representing a $3.1 million or 26% decline compared to 2012. This reflects a ROE of 2.8% compared to 3.8% for 2012. This is far below the expected level of return for shareholders and is primarily on account of the regulatory and tariff deficiencies in relation to the treatment of system losses – which resulted in a significant under-recovery of fuel costs for the Company; and the level of foreign exchange losses incurred during the year.

Liquidity

The Company reduced its liquidity position during the year, primarily due to the focus on reducing debt to ensure compliance with our financial covenants and the increased level of under-recovery of fuel costs due to our inability to achieve the regulatory system losses target. The business remains a very efficient generator of cash and during 2013 cash flow from operating activities were $109 million (compared to $123 million in 2012). JPS's cash flow from operations is derived principally from billings to its customers, which it uses to meet its cash needs for operating expenses, routine capital expenditure, debt service obligations and shareholder returns. In previous years, financing activities yielded significant cash inflows to help fund the capital expenditure requirements, however, during 2013 these activities yielded a net outflow of $67.5 million as the Company made a concerted effort to ensure compliance with its Debt to EBITDA ratio. In summary, the $109 million provided by operational activities was used to fund net cash used by investing and financing activities totaling $133.5 million resulting in a net decline in the cash position at year-end of $24.5 million.

The Company's capital structure remains fairly robust with total capitalization provided by Debt and Equity totaling $724 million, up 1% from $712 million (restated) in 2012. The gearing ratio declined to 51% down from 55% in 2012.

This is generally in line with the 50:50 gearing ratio recommended by the regulator and in line with other similar fully integrated utility companies. Interest cover, at 3.17 times for 2013, remains quite robust, representing a marginal improvement from the 3.11 times recorded in 2012.

JPS continues to invest heavily in upgrading its generation, transmission & distribution assets. As in previous years, capital expenditure continues to outpace the net income earned for the year, reflecting the highly capital intensive nature of the industry and the need to invest in infrastructure development to fuel the continuous improvement in operational efficiency. Capital expenditure for 2013 and 2012 was to $69 million and $61 million respectively, compared to net income of $9.2 million and $12.9 million respectively.

Risk management

Overview

JPS has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed in conducting its activities, which include credit, liquidity, market and operational risks. Risk is managed through a framework of principles, organizational structures, and risk measurement and monitoring activities that are aligned to the company's activities.

The Board of Directors, in managing the business of the company, oversees the company's risk management framework. Key management has responsibility for monitoring the company risk management policies in their specified areas and report quarterly to the Board of Directors on their activities.

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

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's trade receivables, which is stated net of an allowance for doubtful balances.

As part of its management of credit risk, the company requires account deposits from certain customers. Additionally, management has processes in place for the prompt disconnection of services and recovery of amounts owed by, defaulting customers.

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. The loss allowance is determined based on historical payment statistics for similar financial assets and an assessment of the debtor's ability to settle debt.

Liquidity Risk

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

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Key management of the company, in conjunction with its ultimate holding company, aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the company's assets, the amount of its liabilities and/or the company's income. Market risk arises in the company due to fluctuations in the value of assets and liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The nature of the company's exposures to market risks and its objectives, policies and processes for managing these risks have not changed significantly over the prior period. For each of the major components of market risk the company has policies and procedures in place which detail how each risk is managed and monitored.

Interest rate risk:

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

The company contracts financial liabilities at fixed or floating interest rates. These primarily relate to loans, customer deposits, certain trade payables and bank overdrafts.

The maturity profiles and interest rates of the company's long-term loans are disclosed in note 21, the details of short-term loan in note 20 and of customer deposits in note 19. Bank overdraft is subject to interest rates fixed in advance, which may be varied by appropriate notice by the lenders.

Interest bearing financial assets relate to cash and cash equivalents and repurchase agreements.

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 company incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the United States dollar. The currencies giving rise to significant foreign currency risk are the Jamaica dollar (J$) and Euro (€). The Company has a significant amount of J$ receivables at year-end representing a collection period of approximately 52 days on average.

The company manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes including regulatory risk, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements, generally accepted standards of corporate behaviour and force majeure events.

The company's risk management framework guides its operational risk-taking activities so as to balance the avoidance of financial losses, personnel injuries and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. These risk management activities include the following:

- the management and control of significant operational risks by each department;
- active involvement of the independent internal audit department in assessing significant risks identified;
- the use of insurance to ensure that assets and personnel are adequately covered

A critical tool used in the management of operational risk is Insurance. The company ensures that the assets and personnel are adequately covered through a wide range of plans, including personnel, property damage and business interruption. The regulatory tariff mechanism also contributes to the adequacy of our asset coverage by means of provisions for damage to our transmission and distribution assets and certain force majeure occurrences.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the company.

Performance Highlights
Foundation for Growth

The global energy revolution moved into high gear in 2013, with increasing demands from utility customers for cheaper energy, an unprecedented growth in distributed generation and a corresponding fall in energy sales from the grid.

Jamaica and JPS were not immune to changes in the global energy landscape in 2013. There was an intensification of discussions about the future of energy in Jamaica, and a growing recognition that the energy sector was changing. With the identification of a preferred bidder to install new generation capacity, the country moved one step closer to its target for fuel diversification and lower energy prices. At the same time, this signaled that JPS could ultimately play a reduced role in power generation.

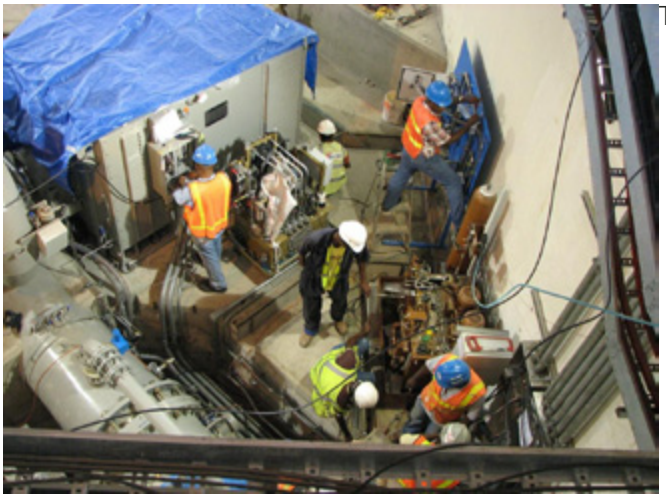
On the transmission and distribution side of the business, the growing problem of electricity theft continued to impact service reliability as well as the company's viability. In addition, there was greater focus on how customers could benefit from the grid through net billing and power wheeling.

Faced with the need to transform the way we do business, JPS made a number of strategic decisions aimed at meeting the changing needs of our various stakeholder groups. The transformation began with deep introspection, the establishment of a new Vision and Mission, Values and Strategic Goals, and a commitment to embrace the opportunities presented by the evolving energy landscape.

Senior VP, Gary Barrow (far right) cuts the ribbon at the opening of the Mandeville eSTORE Express. Sharing the moment are (L-R): Director of Customer Solutions, Garth McKenzie; Her Worship The Mayor, Cllr. Brenda Ramsay and Regional Director Keith Garvey.

Several historic milestones were achieved in this regard during the year. The Company established a retail arm, the JPS eSTORE, as a tangible indication of our commitment to become more than an electricity provider, but also the energy partner for individuals, communities and the nation. Additionally, the Company made significant strides in consolidating the new decentralized organizational structure, to enable us to get closer to the communities we serve as we move towards the achievement of our mission - to provide an energy solution for every Jamaican. Another significant milestone was the establishment of the JPS Foundation, to contribute to national development through support for Youth, Education and Community Empowerment.

A combination of events confirmed the fact that JPS is operating a marginal business with a high level of risk. The Company was significantly impacted – both financially and operationally – by a fault on the Bogue ST14 combined cycle unit, which took the generator offline for five months. Among the other challenges with which the Company grappled in 2013 were: a decline of 2.08% in energy sales; 14.4% devaluation in the Jamaican dollar; and increases in System Losses due primarily to theft of service.



Electricians at work in a section of the New Maggotty Power Plant.

Employees were eager to "Sign On" to the new company values, at Power On meetings across the island.

Despite these challenges, JPS successfully raised US$25 Million through its Preference Share offer – one of the largest ever made on the Jamaica Stock Exchange. Other successes during the year included: the negotiation of a Fuel Recovery Cost Mechanism during the tariff adjustment process; the implementation of various mission-critical IT systems and upgrades; improvements in our customer satisfaction scores; improvements in service reliability; and the launch of the JPS Foundation. It was, in general, a year of laying foundations for transformation and growth, with encouraging early results.

2013 Strategic Plan

As part of the process of defining and sharing the new strategic direction of the Company, JPS started the year with a "visioning" exercise. This involved the development of a new vision, mission statement, core values, and the identification of six (6) corporate goals which would guide the organization to deliver on the strategic objective which was: To reposition JPS from a lagging electric utility to a long term sustainable energy company by enhancement of our people, improvement of our tools, diversification and aggressive pursuit of our revenue goals and sources, and improvement in our political and regulatory position.

Led by the Company's Senior Leadership Team (SLT) and a specially created Organization Transformation Transition Team (OTTT), the exercise involved a series of surveys and focus group meetings geared at receiving input from employees in all areas of the business. The final employee engagement sessions saw more than 1,200 team members endorse the new direction of the Company by the symbolic signing of banners bearing the new vision, mission, values and goals.

Being Brilliant at the Basics

During 2013, the Company invested significant resources in its core operations, as part of efforts to 'Be Brilliant at the Basics" and improve the quality of service provided to customers. The results were encouraging. There was notable improvement over the previous year in the two primary reliability indicators tracked by the company. System Average Interruption Duration Index (SAIDI) reported for the year was estimated to be 31.98 minutes less than in 2012, and the year's System Average Interruption Frequency Index (SAIFI) results indicated that customers experienced an average of 2.16 fewer interruptions than in 2012.

Transmission and Distribution (T&D) Reliability

For 2013, one of the main areas of focus for T&D Operations was to significantly improve reliability over the previous year. For the period of January 1 – December 5, 2013, the combined transmission and distribution SAIDI and SAIFI performance measures showed noteworthy improvements over the previous year as a direct result of

VP Investment Banking, NCB - Dylan Coke; President & CEO, JPS – Kelly Tomblin; SVP, Scotia Wealth Management & CEO, Scotia Investments – Lissant Mitchell; GM, Jamaica Stock Exchange – Marlene Street-Forrest; and JPS CFO – Dan Theoc, share a light moment at the Listing of JPS Preference Shares.

targeted activities and initiatives geared towards this improvement. One of the key initiatives implemented during the period include **'Project Operation High Five',** launched in January 2013, which was designed to address the poor reliability statistics for the five worse performing feeders in Kingston and St. Andrew. Through a focused Distribution System Reliability Improvement Programme, more than 4,000 defective poles were replaced and over 7,000 km of lines cleared as part of a vegetation management initiative. The Company also started the roll-out of a Distribution Automation project, which facilitated the installation of 16 switches on 4 feeders to limit the impact of outages.

One of the key initiatives implemented during the period was the Duhaney Substation Reliability Improvement Project. This project was of great significance to JPS and its customers, due to the critical role played by the Duhaney Substation as a major point in the Transmission and Distribution system. Over time Duhaney had become a sort of bottleneck due to limitations and weaknesses in the grid's security and reliability, which had worsened as the network got older. This is evident in the fact that in the last decade alone, there were five (5) island-wide system blackouts linked to this substation.

The Duhaney Substation Reliability Improvement Project was developed to reconfigure the key elements of the substation, to allow for quicker and more effective isolation of faults, so that fewer customers are affected by problems on the system, and to facilitate more effective and timely preventative maintenance**.** The project successfully improved the substation's fault clearing capabilities and thereby reduced the likelihood of an extensive system outage as a result of a single fault.

Generation Expansion and Renewal

The development of the New Maggotty Hydro plant was a major highlight of JPS' efforts to increase fuel diversification in 2013. The New Maggotty is the largest hydroelectric development to take place in Jamaica since independence. The new hydro plant was developed at a cost of over US$36 Million, and will provide up to a maximum of 7.2MW of electricity to the national grid during periods of high stream flows. The project was officially handed over at the end of January 2014.

JPS is exploring more renewables, and to this end has signaled its willingness to partner with BMR Jamaica Wind to build a 34MW wind farm close to JPS' Munro Wind farm in central Jamaica. During the period, JPS also continued its efforts to convert the 120 MW Bogue combined cycle plant to use natural gas, in order to help reduce the country's reliance on oil for electricity generation.

Fighting Losses

System Losses was a critical area of focus for JPS in 2013. A number of initiatives were undertaken in an effort to curtail the trend of deteriorating losses, and a centralized team was formed to coordinate and monitor the losses activities with the regional field

service and operations teams. Through coordinated 'Strike Force' activities, a total of 197,646 illegal lines were removed from the grid, and, with the assistance of the police, 1,246 persons were arrested for illegal abstraction of electricity.

A Feeder Sub-Metering Project was also initiated in 2013 to help improve the Company's measurement of loss, and facilitate greater understanding of the areas of high losses for targeted and deliberate action. Additionally, more than 7,600 Residential Advanced Metering Infrastructure (RAMI) meters, and 880 Commercial Advanced Metering Infrastructure (CAMI) meters were installed to help reduce losses.

A team member discovers illegal wires buried in the ground during an anti-theft operation in Kingston.

Technology for more Efficient Operations

Recognising the need for critical IT systems to support the transformation of its operations and service delivery, in 2013 JPS channeled much of its capital budget into this area. During the year, the Company also installed a range of mission critical IT solutions including:

- An Outage Management System (OMS), to facilitate more efficient detection of, and response to, outages;
- Mobile Work Force Management System/Service Suite, to ensure automated dispatch of work orders to team members in the field;
- Contact Centre Systems Upgrade which included the enhancement of the Company's Avaya Call Centre System;
- Infrastructure for a Prepaid Metering System to introduce prepaid electricity as a payment option using existing RAMI meters; and
- A Power Quality Monitoring and Reporting System, to detect, record and store otherwise unnoticed events and provide a tool to analyse them.
- In 2013 the Company also started preliminary work towards the implementation of a new Customer Information System (CIS), which is expected to result in significant improvements in customer service.

Improving how we Serve our Customers

Customer feedback continued to be an important part of the customer service improvement process. In 2013, the Company did its annual Customer Satisfaction Survey, which showed a doubling of the customer satisfaction score, compared with the previous year. The Company also established a Customer Advisory Council, with representatives from different Rate Classes and sector groups, who provided valuable feedback to help guide the Company's service improvement efforts.

For 2013, the Customer Satisfaction team rolled out Internal Service Standards across the customer service organization, which provided guidelines for internal interactions and delivery of service to internal customers. The team also implemented a Code of Conduct/ Customer Service Charter.

The relaunch of the JPS website resulted in a significant increase in the number of customers doing online transactions. More customers chose the option of getting their bills by Email, as well as Text Message reminders.

The introduction of the Early Payment Incentive / Late Payment Fee in the second half of the year resulted in an increase in the number of customers paying their bills on time – moving from 27% in August, to approximately 45% by December.

Partnerships with Customers

Building on its ongoing energy efficiency drive, in 2013 JPS established a retail arm, the JPS eSTORE, which provides a range of services and products to help customers manage their electricity usage. The eSTORE formed part of the Company's strategy to be more than just an electricity provider, but an energy partner – providing an energy solution for every Jamaican. JPS' partnership with its

The JPS Lineman Team returns from Kansas, USA, after a successful showing at the Annual International Linesman Rodeo.

stakeholders included the connection of 43 Net Billing customers, who were empowered to sell excess capacity from renewable generation to the national grid.

Attract, Develop & Retain the Best Talent

The HR department embarked upon a number of initiatives during 2013 guided by the corporate goal to "Attract, Develop and Retain the best talent in Jamaica." In order to achieve this objective, a combination of new and improved programmes and projects were pursued. Employee engagement was an important component in the accomplishment of the central objective. The Annual Employee Satisfaction Survey for 2013 showed an overall employee satisfaction score of 80% which was a significant improvement over the previous year.

The Company successfully participated in the 30th International Lineman Rodeo held in Kansas on October 19th. The annual event sees over 200 teams from electric utilities around the world, competing for dominance in team and individual events, such as the Pole Climb and Hurtman Rescue, among others. JPS earned first place in the Apprentice Mystery Event and second and third place for the Pole Climb race.

Creating a Positive Public Image

A primary focus of JPS in 2013 was creating a positive public image. This involved building and strengthening relationships with key stakeholder groups; creating and maintaining a positive media presence; improving general understanding of JPS' operations; establishing and utilizing the JPS Foundation to support national development; and increasing the visibility of employee involvement in the community. With this vision as a guide, energy was focused on the Company's public image through the engagement of both internal and external stakeholders.

The results were encouraging. A comparison of the media exposure for 2012 and 2013 shows a significant improvement in positive references to the Company and an increase in neutral references / objective discussions about JPS – even by media personnel.

A new focus on New Media also made significant impact in the transformation of the Company's image and reach. A Social Media and Online Communications manager was hired, which resulted in JPS' social media presence growing significantly, facilitating a more direct relationship with more of our customers. During

the year, our social media reach recorded a growth of more than 160% in our dedicated audience (Fans/ Followers), which stood at approximately 42,000 at the end of 2013 (combination of JPS & eStore Facebook, Twitter, Issuu and LinkedIn platforms).

The JPS Foundation

The JPS Foundation was officially launched in August 2013, with a focus on Education and Youth Leadership - areas agreed on as having the potential for greatest contribution to national development. The activities of the Foundation accounted for a significant percentage of the positive publicity received by the company in 2013.

The main initiatives of the Foundation during 2013 included an expanded Early Childhood Nutrition Programme benefiting more than 26,000 children, Partnership with United Way and the Launch of the Youth Leadership Academy. The JPS Foundation also launched a Model School programme to help three early childhood institutions (in each of our operational zones across the island), meet the standards established by the Early Childhood Commission.

JPS remains committed to nation building and empowering our people through our core operations as well as service in our community.

JPS Board Member, Masao Imazato gets busy working on the perimeter wall at the Rennock Lodge Basic School, as JPS Foundation Chairman, Prof. Kenneth Hall; JPS Board Chairman, Hisatsugu Hirai; Her Worship The Mayor, Angela Brown-Burke; Principal Jacqueline Lewis; and Minister of Science, Technology, Energy and Mining, Hon. Phillip Paulwell, share in the moment at the official launch of the JPS Model School programme in Region East.

DIRECTORS' REPORT

The Directors of the Jamaica Public Service Company Limited submit herewith their Annual Report with the Audited Financial Statements for the year ended December 31, 2013:

	YEAR ENDED December 31, 2013 (Twelve months) US$'000	YEAR ENDED December 31, 2012 (Twelve months) US$'000
OPERATING REVENUES		
Profit/(Loss) before Taxation	12,242	18,004
Taxation credit/(Expense)	(3,054)	(5,665)
Net Profit/(Loss) attributable to shareholders	9,188	12,339
Dividends Paid on Preference Shares	2	2
Dividends Paid on Ordinary Shares	0	5,000

Dividends:

The dividends for the year on all preference shares have been paid in full save and except that no dividend payments were made on the ordinary stocks and shares neither were dividends paid on the Class F and Class G Preference shares.

Auditors:

In accordance with Section 154 of the Companies Act, a resolution proposing the appointment of the Auditors and for the Directors to fix the Auditors' remuneration will be put to the Annual General Meeting.

Directors:

Messrs. Sang Kie Cho and Yung Joon Pyo resigned from the Board during the year under review. The Board wishes to express its sincere appreciation to Messrs Sang Kie Cho and Yung Joon Pyo for their contribution to the Company.

In accordance with Articles 86 and 123 of the Company's Articles of Association,

> Messrs. Jin Won Kim, Geun Tae Kim, Tatsuya Ozono, Kengo Aoki and Seiji Kawamura having been appointed to the Board as Directors since the last Annual General Meeting shall cease to hold office and being eligible offer themselves for election;

The Directors wish to thank the Management and staff of the Company for their performance during the year under review.

COPORATE DATA

Registrar
Cumulative Preference Shares and Ordinary Stock & Shares
NCB Nominee Jamaica Limited
32 Trafalgar Road
Kingston 10
Jamaica WI

Registered Office
6 Knutsford Boulevard
Kingston
Jamaica WI

Auditors
Ernst & Young
8 Olivier Road
Kingston 8
Jamaica WI

Attorneys-at-Law
Livingston Alexander & Levy
72 Harbour Street
Kingston

Nunes Scholefield Deleon & Co.
6a Holborn Road
Kingston 5

Clinton Hart & Co.
Attorneys-at-Law
58 Duke Street
Kingston

Symone Mayhew
Attorney-at-Law
17 Herb McKinley Drive
Kingston 6

Hylton Powell
Attorneys-at-Law
11a Oxford Road
Kingston 5

Bankers
National Commercial Bank Jamaica Limited
3rd Floor, 32 Trafalgar Road
Kingston 10
Jamaica WI

Bank of Nova Scotia Jamaica Limited
ScotiaBank Centre
Cnr Duke & Pt Royal Streets
Kingston
Jamaica WI

RBC Royal Bank (Jamaica) Ltd
17 Dominica Drive
Kingston 5
Jamaica WI

CIBC First Caribbean International Bank
23 -27 Knutsford Boulevard
Kingston 5

Citibank, N.A.
63 Knutsford Boulevard
Kingston 5

Ten Largest Shareholders Listing

As At December 31, 2013

JPS Preference B Shares (7%)

Rank	Name of Shareholder	No. of Units
1	Philip Harvey-Lewis	130,666
2	Security Brokers Limited	81,005
3	MF&G Trust and Finance Ltd-A/C 57	41,300
4	Everard Smith	37,585
5	Jamaica Mutual Life Assurance Company	16,567
6	Crown Life Insurance Company	10,000
7	John Headcock	7,410
8	National Utility Fund	5,600
9	Kimberly Burrowes	5,597
10	Estate George H Scott	5,000

JPS Preference C Shares (5%)

Rank	Name of Shareholder	No. of Units
1	Security Brokers Limited	6,917
2	Philip Harvey-Lewis	6,728
3	Renata Headcock	4,460
4	Everard Smith	3,921
5	Jamaica Mutual Life Assurance Company	3,610
6	Herma Sassoon (Deceased)	1,900
7	MF&G Trust & Finance Ltd- A/C 57	1,835
8	Uraine Ferro	1,800
9	Prudential Stockbrokers Ltd	1,628
10	Buck Security Brokers Ltd	1,566

JPS Preference D Shares (5%)

Rank	Name of Shareholder	No. of Units
1	Philip Harvey-Lewis	82,817
2	MF&G Finance Ltd- A/C 57	71,921
3	Everard Smith	68,178
4	Security Brokers Ltd	64,470
5	Jamaica Mutual Life Assurance Society	52,795
6	Incorporated Lay Body Of The Church in Ja.	36,620
7	Crown Life Insurance Company Ltd	20,000
8	Prudential Stock Brokers Ltd	18,185
9	Ronald W. Kuper	13,600
10	Jamaica Mutual Life Association Society S/A Fund	9,605

JPS Preference E Shares (6%)

Rank	Name of Shareholder	No. of Units
1	Everard Smith	76,706
2	MF&G Trust & Finance Ltd- A/C 57	36,660
3	Susan Headcock	30,000
4	Security Brokers Ltd	30,000
5	Jamaica Mutual Life Association Staff S/A Fund	11,060
6	Field Nominees Limited	10,000
7	Jamaica Mutual Life Assurance Society	8,250
8	Estate Charles O. Edwards (Deceased)	5,000
9	Imperial Optical Company (WI) Ltd	5,000
10	Berkeley Properties Ltd	3,613

JPS Preference F Shares (9.5%)

Rank	Name of Shareholder	No. of Units
1	National Insurance Fund	350,000
2	Continental Petroleum Corporation	300,000
3	Grace Kennedy & Company Limited Pension Scheme	250,000
4	JPS Employees Superannuation Fund	182,011
5	NCB Insurance Company Limited	150,000
6	ATL Group Pension Fund Trustees Nominee Limited	100,000
7	Sagicor Life Jamaica Limited	98,643
8	SJIM A/C#3119	98,137
9	Sagicor Pooled Foreign Currency Fund	78,914
10	Trustees Contributory Pension Plan – VMBS	69,050

JPS Preference G Shares (11%)

Rank	Name of Shareholder	No. of Units
1	MaruEnergy JPSCO 1, Srl	200,046
2	Accountant General's Department	99,908

JPS Ordinary Stocks

Rank	Name of Shareholder	No. of Units
1	EWP (Barbados) 1 SRL	155,366,792
2	Maruenergy JPSCO 1, SRL	155,366,792
3	National Investment Bank of Jamaica Ltd	2,183,237
4	R.S Gamble and Son Ltd	108,139
5	Faith A. Myers	74,394
6	Melle Marguerite Simard (Deceased)	59,514
7	Frank Renfrette	45,462
8	John George	43,396
9	Agnes Theresa Fong Yee	31,410
10	Renee Rosier Joel	29,757

JPS Ordinary Shares

Rank	Name of Shareholder	No. of Units
1	EWP (Barbados) 1 SRL	8,575,911,306
2	Maruenergy JPSCO 1, SRL	8,575,911,306
3	Accountant General	2,386,573,897
4	Accountant General	1,974,065,546

CORPORATE GOVERNANCE

For the Jamaica Public Service Company Limited (JPS), compliance is a basic premise of our business and the foundation upon which JPS has built and continues to grow as a true first class corporate brand. JPS has an established corporate governance principles which guide management decisions as well as a core system of processes and procedures by which all employee decisions and actions must be carried out. The Board has responsibility along with the President and her Senior Leadership Team for managing the Company's day to day operations, with material issues going before the Board for consideration and decision. Management is responsible for the execution of an agreed upon strategy and for all operational matters.

The Directors of the JPS Board understand their legal and governance responsibilities and undertake these with honesty, probity and integrity and seek to set the "tone at the top" for employees to emulate and encourage compliance with applicable obligations, The Board through its work and the work of its Committees monitor the effectiveness of the Company's corporate governance practices and approves changes, as needed. The Legal Secretariat keeps abreast of the latest regulatory requirements, best practices and guidance in corporate governance and updates the Board on these issues on a timely basis.

The Company's corporate governance framework is built on a number of governance standards considered best practices and ensuring that they are in sync with compliance practices of its major shareholders. The Board, members of the Executive and the Legal and Compliance Division ensures that the Company's governance practices are consistent and compliant with all applicable legislation, regulations, standards and codes.

Board Oversight

The Board meets approximately once per quarter; however, special meetings are convened as needed and particularly, when urgent and critical issues are required to be addressed between scheduled meetings. Members of the Board regularly meet with key members of the senior management team to consider critical financial issues and matters of strategic importance to the Company.

Composition of the Board

Our Directors have diverse skill sets, strong experience and backgrounds which include local and international experience in engineering, finance and audit, strategic management, banking, human resources and education, and risk management. Our Directors take care in ensuring that decisions are made after fulsome open discussion at the Board level and careful deliberation of relevant information.

As at December 31, 2013, the Board is comprised of nine (9) directors and two (2) alternate directors and is chaired by Mr. Hisatsugu Hirai and represented as follows:

- Three (3) directors represent MaruEnergy JPSCO 1, Srl
- Three (3) directors represent EWP (Barbados) 1 Srl
- Three (3) directors represent the Government of Jamaica

The only compensation non shareholder members of the Board of Directors receive is a fixed amount equivalent to US$1,000 for attendance at each Board or Committee meeting, and any other meeting requiring a director's attendance. Shareholder representatives receive no compensation.

Current Directors
Hisatsugu Hirai – Chairman
Seiji Kawamura
Jin Won Kim
Cathrine Kennedy (Independent Director)
Prof. Evan Duggan
Prof. Gordon Shirley
Charles Johnston (Independent Director)
Geun Tae Kim
Fitzroy Vidal
Masao Imazato (Alternate Director)
Dong Uk Kim (Alternate Director)
Tatsuya Ozono
Kengo Aoki (Alternate Director)

Nomination, Appointment, Term, Election and Retirement of Directors

The Board is satisfied that the current slate of Directors have the appropriate skills, experience and capabilities to meet the challenges faced by the Company as the Board is comprised of a diverse membership with expertise in finance, accounting and audit procedures and relevant industry experience.

In selecting members of the Board, consideration of guidelines similar to those recommended by the Private Sector Organization of Jamaica is taken into account. All Directors automatically retire from the Board at the end of a three-year appointment. Each year at the Annual General Meeting, the Board recommends and the shareholders elect the retiring directors or new directors as the case may be in accordance with the Company's Articles of Incorporation. There are no Executive Directors on the Board of JPS

Director Orientation and Training Opportunities

Our Directors are afforded continuous education about the Company, technological developments in the electricity industry, new energy products and business opportunities in the Energy Sector. All Directors have access to and are encouraged to meet with the Chairman, the President/Chief Executive Officer and key members of the Senior Leadership Team. Board meetings are used as opportunities for independent and extensive discussions between the Chairman, Shareholder Director representatives and independent directors. Members of the our Senior Leadership team are invited to Board meetings to make presentations on various topics in an effort to advise Directors of the operations of the Company, especially as it relates to technical operations so as to afford them the opportunity to pose questions to and interact with senior management.

Conflicts of Interest

In adherence to the Company's Articles of Incorporation, various statutory requirements on the disclosure of Directors' interest as well as the Company's Code of Ethics, members of the Board who have interest in proposals being considered by the Board, including where such interest arises through close family members, must make a declaration to that effect and excuse themselves from deliberation and/or final decision. Additionally, Directors have the same obligation as employees to abide by all tenets of the Company's Code of Ethics and must complete the Annual Code of Ethics Questionnaire.

COMMITTEES OF THE BOARD

Audit Committee

JPS has an established Audit Committee, the primary responsibilities of which are to assist the Board of Directors in carrying out its duties as they relate to the organization's accounting policies, internal controls and financial reporting practices. In general, the Committee exercises its responsibility in three important areas:

- Financial Reporting
- Governance of Internal Controls and Accounting Policies
- Assessment of Management Risks in the Company

Members of the Audit Committee as at December 31, 2013 are:

- Ms. Cathrine Kennedy – Chairman
- Mr. Fitzroy Vidal
- Mr. Geun Tae Kim

Other invitees to the Committee's meeting include:

- Mr. Hisatsugu Hirai – JPS Board Chairman
- Ms. Katherine P.C. Francis – JPS General Counsel, Corporate Secretary & Compliance Officer
- Mrs. Leisa Batiste-White – Head-Internal Audit
- Mrs. Kelly Tomblin – President & CEO and/or other executives or managers as are required.
- Representatives of the Company's external auditor attend Committee meetings as needed.

The Terms of Reference or Charter of the Company's Audit Committee are reviewed by the Committee and upon recommendation, approved by the Board. The Charter is reviewed from time to time and where appropriate may be revised by the Board. The Committee has oversight responsibility for the Company specifically in relation to the following areas:

- The Integrity of the financial reporting of the Company and system of internal controls
- Ensuring compliance with legal and regulatory requirements
- The performance of the internal Audit and external auditors
- The identification and resolution of conflict of interest which may arise from transactions conducted by the Company.

Prior to the adjournment of Committee meetings, time is reserved for the Chairman of the Committee to meet independently with the internal and/or external Auditors to discuss any areas of concerns. The Audit Committee reviewed and recommended for approval (where relevant) the following items during the year;

- Management accounts for the Company
- Audited Financial Statement
- Engagement Letter of the External Auditors
- External Audit Fees
- Internal Audit Reports
- Regulatory Examination Reports and Management Response
- Connected Party list and transactions
- Compliance Reports
- Management Letter from the External Auditor.

Finance Committee

The Board has a long established Finance Committee the primary responsibility of which is to assist the Board of Directors in making financial decisions for the Company. Typically, the Company's budgets, financial statements (audited and unaudited), are reviewed by the Finance Committee as well as any fiscal policies or financing arrangements with attendant recommendations being made to the Board.

Members of the Finance Committee as at December 31, 2013 are:

- Mr. Hisatsugu Hirai – Chairman
- Prof. Evan Duggan
- Mr. Charles Johnston

Other invitees to the Committee's meeting include:

- Mrs. Kelly Tomblin – President & CEO
- Ms. Katherine P.C. Francis – JPS General Counsel & Corporate Secretary
- Mr. Dan Theoc – Chief Financial Officer
- Mr. Horace Messado – Financial Controller
- Mr. Aldington-Dean Smith – Senior Director, Strategy

Corporate Compliance- JPS Code of Ethics & Business Conduct

The Company has in place a Code of Ethics and Business Conduct, which guides employees in the right way to do business. It is a core component of the Company's Compliance Programme, which ensures that employees work in accordance with principles of good corporate governance. The Code which was revised in 2012 now specifically addresses the issues of sexual harassment, the Protected Disclosure or 'Whistle Blower' Legislation and the Company's attendant policies. In addition, the Company provides employees with a Code of Ethics & Business Conduct Questionnaire, which is completed by employees on a yearly basis and there is also a Declaration of Interest Form for persons to disclose any potential or actual conflict of interest.

The Board of Directors, the management and all employees of the Company are required to observe the Company's Code of Ethics and Business Conduct and in this regard, annual certification of due compliance is required and this is achieved through the distribution of a Code of Ethics and Business Conduct Questionnaire. The Company's Code of Ethics sets out the Company's rules and expectations for proper business conduct and ethical behavior of all directors, officers and employees of the Company. It provides among other things guidelines on how to avoid conflict of interest and how to conduct business in an ethical manner.

Management

As regards the management of the Company, the Majority Shareholders select the President & Chief Executive Officer in accordance with the Company's Articles of Incorporation and they conduct the performance review of the President. Members of the management team are selected by the President & CEO in conjunction with the Board and persons with a high standard of expertise and significant experience in the relevant area are sought and engaged

Internal Controls

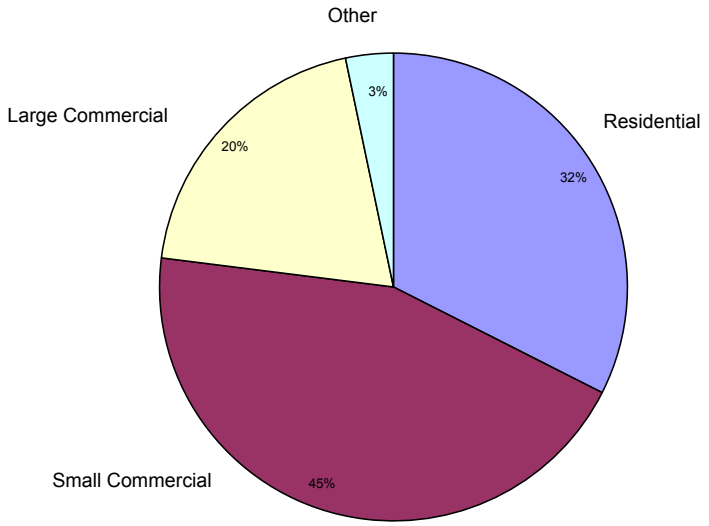
The Directors acknowledge their overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. Our systems are designed to control and mitigate, rather than eliminate, the risk of failure and to successfully achieve the Company's business objectives. The Board, through its Audit Committee continuously reviewed the effectiveness of the Company's Systems of Internal Control through reports of the internal and external auditors, which details of any material control issues identified in their work. After each meeting of the Audit Committee, its Chairman reports to the Board on all significant issues considered by the Committee so that corrective actions can be implemented.

OPERATIONAL STATISTICS

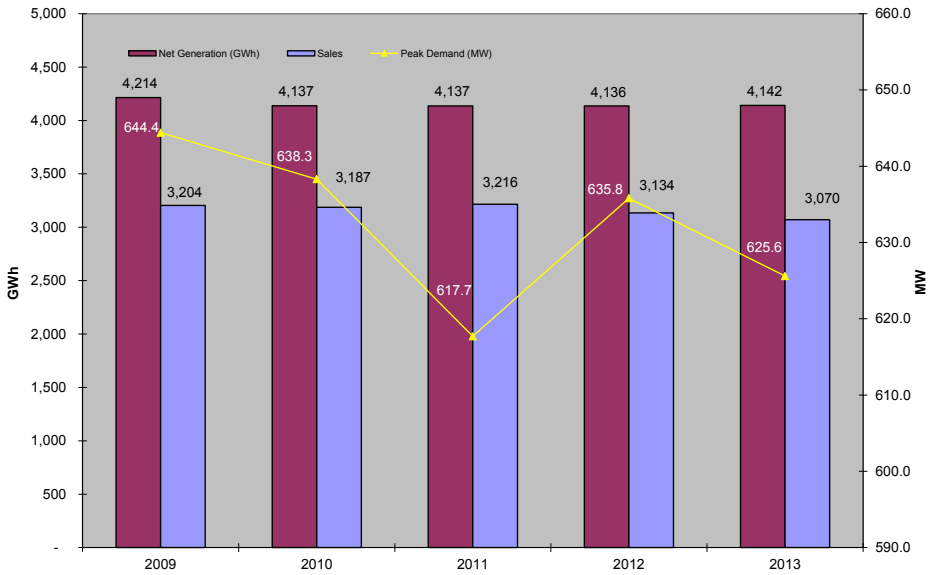
	Dec-31-13 US$'000 (12 months)	Dec-31-12 US$'000 (12 months)	Dec-31-11 US$'000 (12 months)	Dec-31-10 US$'000 (12 months)	Dec-31-09 US$'000 (12 months)
OPERATING REVENUES ($000's)					
Residential	387,731	406,752	412,259	351,993	298,225
Commercial & Industrial (Sml.)	497,543	512,481	521,845	417,370	358,233
Commercial & Industrial (Lge.)	185,760	192,958	189,589	148,280	117,327
Other	28,350	29,404	29,703	24,923	19,772
TOTAL	**1,099,383**	**1,141,595**	**1,153,396**	**942,567**	**793,558**
AVERAGE NO. OF CUSTOMERS					
Residential	541,691	531,827	513,970	509,660	521,837
Commercial & Industrial (Sml.)	64,559	63,740	61,401	60,782	62,029
Commercial & Industrial (Lge.)	150	151	145	138	130
Other	254	253	246	221	222
TOTAL	**606,654**	**595,971**	**575,762**	**570,801**	**584,218**
NET GENERATION AND PURCHASES (MWH)					
Steam & Slow Speed Diesel	1,499,305	1,500,497	1,583,387	1,673,385	1,725,786
Hydro	123,715	150,689	152,087	151,716	140,073
Gas Turbines	103,632	164,733	179,914	182,651	252,579
Combined Cycle Plant	615,502	777,670	810,212	786,101	748,643
Purchases	1,799,490	1,542,330	1,411,279	1,343,497	1,346,899
TOTAL	**4,141,644**	**4,135,919**	**4,136,879**	**4,137,350**	**4,213,980**
Losses & Unaccounted for (MWh)	1,071,955	1,001,953	920,889	949,862	1,010,102
Systems losses as a percentage of Net Generation	25.9%	24.2%	22.3%	23.0%	24.0%
Heat Rate (Kj/kWh)	9,884	9,965	10,112	10,183	10,167
ENERGY SALES (MWH)					
Residential	996,429	1,035,377	1,064,535	1,090,619	1,082,599
Commercial & Industrial (Sml.)	1,366,797	1,383,296	1,437,283	1,402,748	1,435,285
Commercial & Industrial (Lge.)	605,402	615,314	615,041	593,360	589,560
Other	101,060	99,979	99,131	100,761	96,435
TOTAL	**3,069,688**	**3,133,966**	**3,215,990**	**3,187,488**	**3,203,878**
AVERAGE USE & REVENUE per residential customer					
Annualized kWh consumption/Customer	1,839	1,947	2,071	2,140	2,075
Annualized Revenues/Customer	716	765	802	691	571
U.S Dollars per kWh	0.4	0.4	0.4	0.3	0.3
Average billing exchange rate for period	100.14	88.70	86.03	87.65	88.06
U.S. Cents per kWh	38.91	39.29	38.7	32.3	27.5

KEY PERFORMANCE INDICATORS

Sales 2013



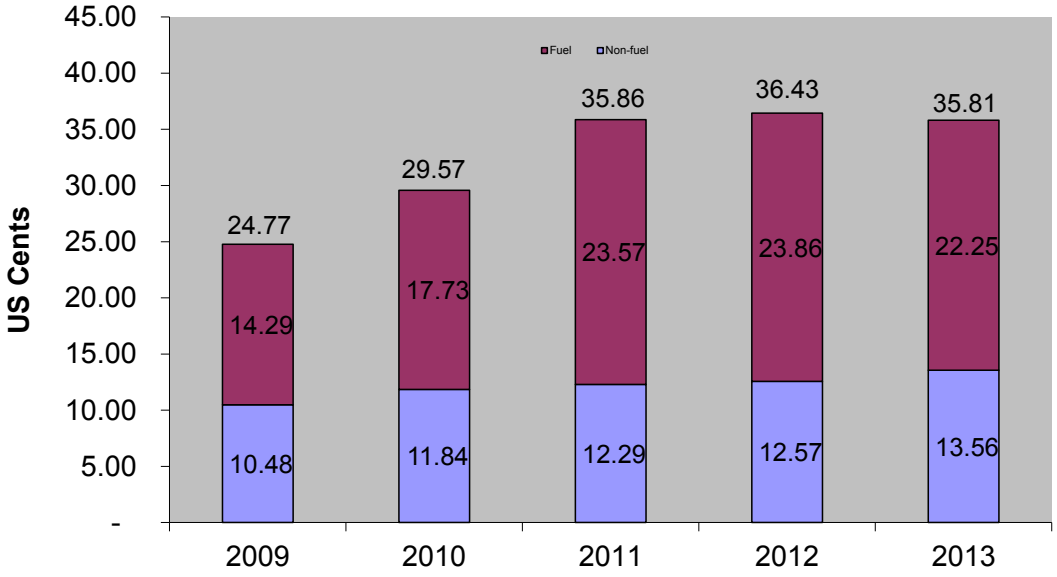
Electricity Demand



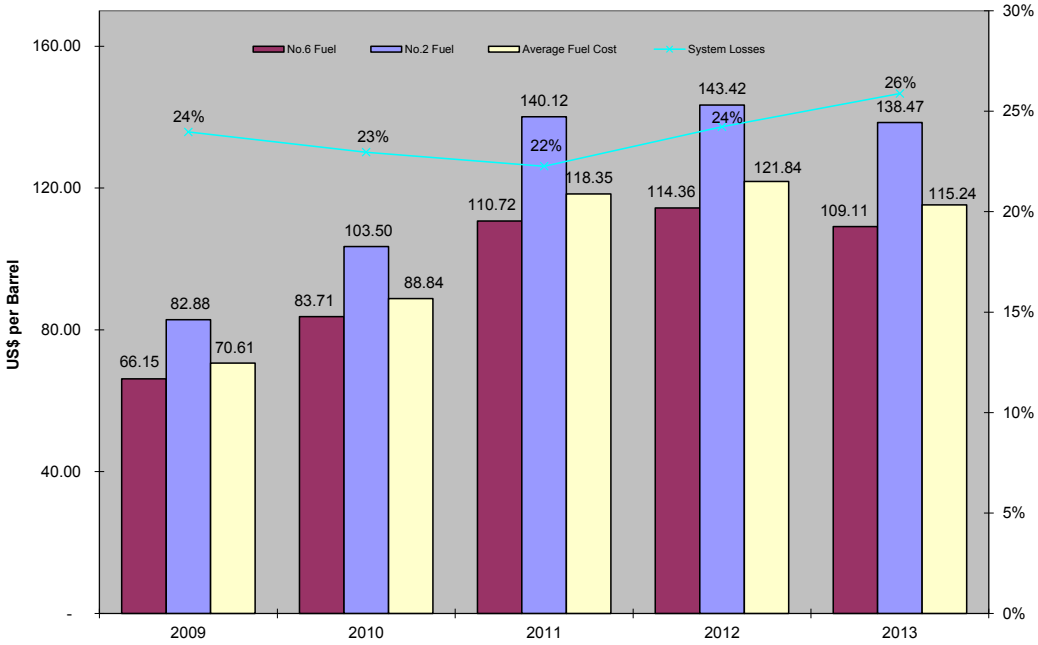
FOUNDATION FOR GROWTH

KPIs

Revenue (US¢/kWh)



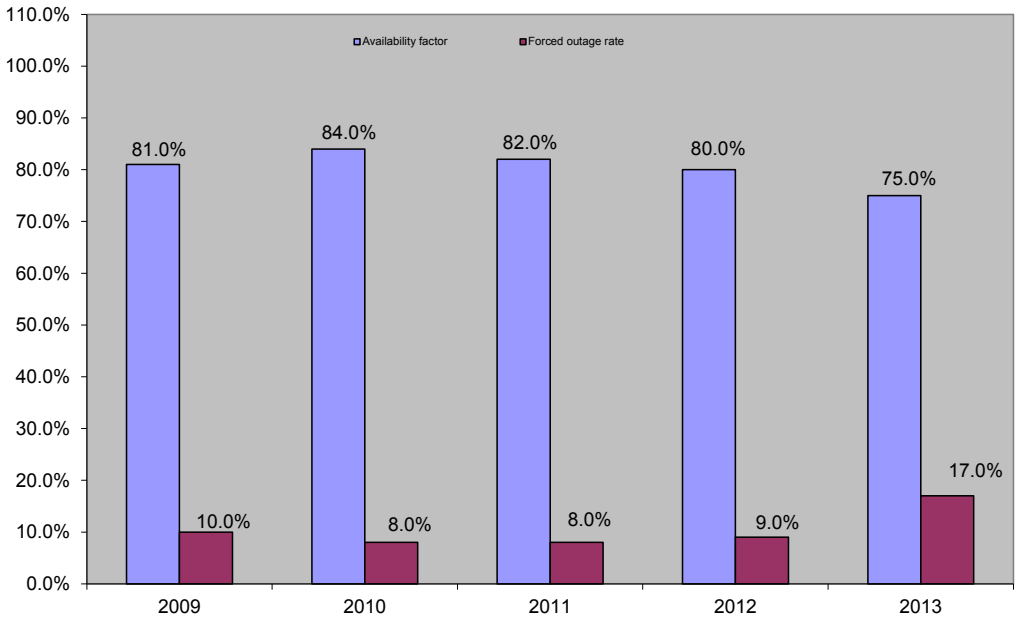
Fuel Cost and System Losses



KPIs

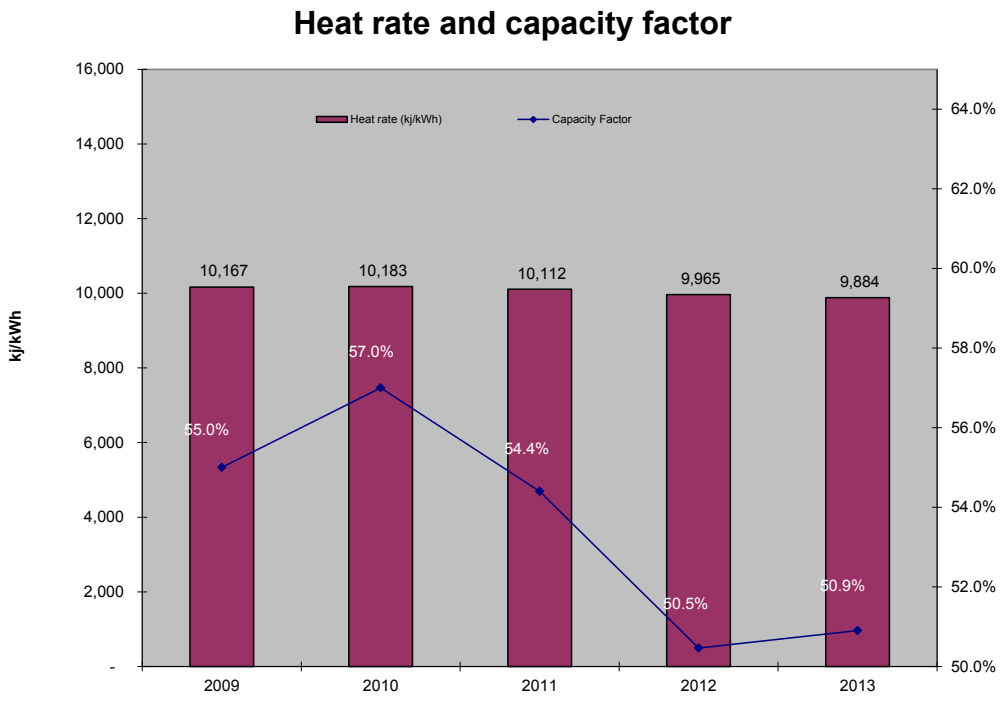
Operating Expenses

Availability & forced outage factor



FOUNDATION FOR GROWTH

KPIs


Heat rate and capacity factor
Heat rate (kj/kWh)
Capacity Factor
kj/kWh
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
64.0%
62.0%
60.0%
58.0%
56.0%
54.0%
52.0%
50.0%
10,167
10,183
10,112
9,965
9,884
55.0%
57.0%
54.4%
50.5%
50.9%
2009
2010
2011
2012
2013

Index to the Financial Statements

Building a better working world
Chartered Accountants

8 Olivier Road
Kingston 8
Jamaica, W.I.

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Fax: +1 876 755 0413
ey.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Jamaica Public Service Company Limited

We have audited the accompanying financial statements of the Jamaica Public Service Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 201 3 and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 the requirements of the Jamaican Companies Act, 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.

Auditors' 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 about 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 judgement, 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.

Building a better working world

INDEPENDENT AUDITORS' REPORT, CONTINUED

To the Shareholders of Jamaica Public Service Company Limited, Continued

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2013 and of its results of operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.

Ernst & Young
Chartered Accountants
Kingston, Jamaica

31 March 2014

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Statement of Financial Position
As at 31 December 2013
(Expressed in United States Dollars)

	Notes	2013 $'000	Restated 2012 $'000 (Note 36)	Restated 2011 $'000 (Note 36)
ASSETS				
Non-Current Assets				
Property, plant and equipment	12	698,571	657,680	655,534
Intangible assets	13	9,877	6,063	5,570
Employee benefits asset	14(a)	20,389	20,066	27,180
Other asset	15	4,606	5,797	5,222
Long-term receivables	16	1,447	1,705	990
		734,890	691,311	694,496
Current Assets				
Cash and cash equivalents	9	3,854	26,493	8,830
Restricted cash	6	21,642	18,849	18,346
Accounts receivable	7	186,877	200,024	187,900
Tax recoverable		1,568	271	320
Inventories	8	40,871	66,723	60,132
		254,812	312,360	275,528
TOTAL ASSETS		989,702	1,003,671	970,024

The accompanying notes form an integral part of these financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Statement of Financial Position
As at 31 December 2013
(Expressed in United States Dollars)

	Notes	2013 $'000	Restated 2012 $'000 (Note 36)	Restated 2011 $'000 (Note 36)
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital	17	261,786	261,786	261,786
Capital reserve	18	19,901	19,901	20,043
Retained earnings		47,066	40,089	33,376
		328,753	321,776	315,205
Current Liabilities				
Bank overdraft	9	1,938	-	17,412
Short term loans	20	-	25,000	-
Current portion of long-term debts	21	37,492	36,906	49,493
Accounts payable and provisions	10	188,826	181,027	147,733
Other financial liability	11	630	1,862	-
Corporation tax payable		-	2,713	4,149
Due to related companies	28(f)	627	1,005	912
		229,513	248,513	219,699
Non-Current Liabilities				
Customer deposits	19	26,827	30,917	31,058
Long-term debts	21	326,442	353,572	356,295
Shareholder's loan	22	2,000	-	-
Preference shares	23	27,688	132	132
Deferred taxation	24	39,917	37,969	37,446
Employee benefit obligations	14(b)	6,908	8,822	9,050
Deferred revenue	25	1,654	1,970	1,139
		431,436	433,382	435,120
Total Liabilities		660,949	681,895	654,819
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		989,702	1,003,671	970,024

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 March 2014 and signed on its behalf by:

Chairman — Hisatsugu Hirai

Director — Jin Won Kim

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Statement of Comprehensive Income
Year ended 31 December 2013
(Expressed in United States Dollars)

	Notes	2013 $'000	Restated 2012 $'000 (Note 36)
Operating Revenue	26	1,099,383	1,141,595
Cost of Sales	27(a)	(833,015)	(862,299)
Gross Profit		266,368	279,296
Operating Expenses	27(b)	(192,433)	(209,089)
Operating Profit	28	73,935	70,207
Finance costs, net	27(c)	(61,777)	(52,800)
Other income	29(a)	4,425	5,431
Other expenses	29(b)	(4,341)	(4,834)
Profit Before Taxation		12,242	18,004
Taxation expense	30	(3,054)	(5,665)
Profit for the Year		9,188	12,339
Other Comprehensive Income:			
Item to be reclassified to profit or loss:			
Transfer to profit or loss	12(a)	-	86
Items not to be reclassified to profit or loss in the future:			
Revaluation deficit	12(a)	-	(56)
Remeasurement loss on defined benefit plan	(14)(a)(v)	(3,317)	(1,069)
Tax on remeasurement loss	24	1,106	357
		(2,211)	(682)
Total Comprehensive Income Attributable to Shareholders		6,977	11,657
Earnings per Share	31	0.04¢	0.06¢

The accompanying notes form an integral part of these financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Statement of Changes in Shareholders' Equity
Year ended 31 December 2013
(Expressed in United States Dollars)

	Share capital $'000 (Note 17)	Capital reserve $'000 (Note 18)	Retained earnings $'000	Total $'000
Balance at 31 December 2011, as previously reported	261,918	20,043	89,158	371,119
Prior year adjustment (Notes 4.23 & 36)	(132)	-	(55,782)	(55,914)
Balance at 31 December 2011, as restated	261,786	20,043	33,376	315,205
Profit for the year, as restated (Note 36)	-	-	12,339	12,339
Other comprehensive income for the year, as restated [Notes 4.23 & 12 (a)]	-	(56)	(626)	(682)
Transfer to profit or loss [Note 12(a)]	-	(86)	-	(86)
Dividends (Note 32)	-	-	(5,000)	(5,000)
Balance at 31 December 2012, as restated	261,786	19,901	40,089	321,776
Profit for the year	-	-	9,188	9,188
Other comprehensive income for the year	-	-	(2,211)	(2,211)
Balance at 31 December 2013	261,786	19,901	47,066	328,753

The accompanying notes form an integral part of these financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Statement of Cash Flows
Year ended 31 December 2013
(Expressed in United States Dollars)

	Notes	2013 $'000	Restated 2012 $'000 (Note 36)
Cash Flows From Operating Activities			
Profit for the year		9,188	12,339
Adjustments for:			
Depreciation and amortisation	12, 13	49,168	50,211
Gain on disposal of property, plant and equipment	29(a)	-	(2,012)
Impairment loss on property, plant and equipment	29(b)	-	1,775
Amortisation of debt issuance costs		3,500	2,127
Unrealised foreign exchange (gains)/ losses		(6,374)	(2,595)
Interest expense		41,460	38,353
Other interest income	27(c)	(1,615)	(2,367)
Interest capitalised	27(c)	(1,450)	(1,701)
Income tax expense		-	4,785
Deferred tax expense	24	1,948	523
Employee benefits, net		(3,701)	9,354
Unrealised fair value (gain)/loss)		(1,232)	1,862
Long term receivables and deferred revenue, net		(28)	116
Cash generated before changes in working capital and deposits		90,864	112,770
Restricted cash		(2,793)	(503)
Accounts receivable		14,311	(16,406)
Inventories		2,393	(6,591)
Accounts payable and provisions		8,430	37,414
Due to related companies		(378)	93
Customer deposits and advances		222	2,215
Cash generated from operations		113,049	128,992
Taxes paid		(4,010)	(5,907)
Net cash provided by operating activities		109,039	123,085
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		-	10,373
Purchase of property, plant and equipment		(64,666)	(60,486)
Purchase of intangible assets	13	(4,357)	(856)
Other asset		1,191	(575)
Interest received		1,750	2,258
Net cash used in investing activities		(66,082)	(49,286)
Cash Flows From Financing Activities			
Short-term loans received		31,400	55,000
Repayment of short-term loans		(56,400)	(30,000)
Long-term loans received		15,502	16,697
Repayment of long-term loans		(45,422)	(34,064)
Interest paid		(40,170)	(38,577)
Preference shares		27,556	-
Dividends paid		-	(7,780)
Net cash used in financing activities		(67,534)	(38,724)
Net (decrease)/increase in cash and cash equivalents		(24,577)	35,075
Net cash and cash equivalents at beginning of year		26,493	(8,582)
Net Cash And Cash Equivalents At End Of Year	9	1,916	26,493

The accompanying notes form an integral part of these financial statements.

1. Corporate structure and nature of business

Jamaica Public Service Company Limited ("the Company") is incorporated and domiciled in Jamaica as a limited liability company and is owned by MaruEnergy JPSCO 1 SRL and EWP (Barbados) 1 SRL each holding 40% interest in the Company's shares, with the Government of Jamaica holding 19.9% and private individuals 0.1%. MaruEnergy JPSCO 1 SRL, is incorporated in Barbados and is ultimately owned by Marubeni Corporation which is incorporated in Japan. EWP (Barbados) 1 SRL is incorporated in Barbados and is ultimately owned by the Korea Electric Power Corporation which is incorporated in South Korea.

The Government of Jamaica's ownership in the Company is held collectively through the Accountant General's Department and the Development Bank of Jamaica Limited. In accordance with a Shareholder's Agreement, the majority shareholders have the right to appoint six members of the Board of Directors while the GOJ has the right to appoint three. Additionally, certain significant decisions of the Board of Directors require a unanimous vote of the appointed directors.

The principal activities of the Company are generating, transmitting, distributing and supplying electricity in accordance with the terms of the All-Island Electric Licence, 2001 (the Licence), granted on March 30, 2001, by the Minister of Mining and Energy.

The registered office of the Company is situated at 6 Knutsford Boulevard, Kingston 5, Jamaica, W. I., and its preference shares are listed on the Jamaica Stock Exchange.

2. Regulatory arrangements and tariff structure

The Licence authorises the Company to supply electricity for public and private purposes within the Island of Jamaica, subject to regulation by the Office of Utilities Regulation (OUR) established pursuant to the Office of Utility Regulation Act, 1995, and as subsequently amended, with power and authority to require observance and performance by the Company of its obligations under the Licence, and to regulate the rates charged by the Company.

Under the provisions of the Licence, the Company is granted the exclusive right to transmit, distribute and supply electricity throughout the Island of Jamaica for a period of twenty years and to develop new generation capacity within the first three years from the effective date of the Licence. Since the expiration of this initial three year period, the Company has the right, together with other persons, to compete for the right to develop new generation capacity. The Licence was extended in August 2007 for an additional period of six years through to 2027 upon the sale of the Company by Mirant Corporation to Marubeni Corporation.

Schedule 3 of the Licence defines the rates for electricity and the mechanism for rate adjustments.

2. Regulatory arrangements and tariff structure (continued)

Under the Licence, the rates for electricity consist of a Non-Fuel Base Rate, which is adjusted annually using the Performance Based Rate-making Mechanism; and a Fuel Rate, which is adjusted monthly to reflect fluctuations in actual fuel costs, net of adjustments for prescribed efficiency targets. Both rates (fuel and non-fuel) are adjusted monthly to account for movements in the monetary exchange rate between the United States (US) dollar and the Jamaica dollar.

These rates are determined in accordance with the tariff regime, which provides that the OUR annually reviews the Company's efficiency levels (system losses and heat rate) and, where appropriate, adjusts these in the tariff, primarily relating to fuel revenues. Under the rate schedule, the Company should recover its actual fuel costs, net of the prescribed efficiency adjustments, through its Fuel Rate.

As of 1 March 2004, and thereafter, on each succeeding fifth anniversary, the Company must submit a filing to the OUR for further rate adjustments to its Non-Fuel Base Rate. The rate filing, which requires OUR approval, is based on a test year and includes defined "efficient" non-fuel operating costs, depreciation expenses, taxes, and a fair return on investment.

Embedded in the OUR approved tariff is an amount to be set aside monthly to provide for a Self Insurance Sinking Fund in case of a major catastrophe affecting the Company's operations.

3. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Financial Reporting Interpretation Committee (IFRIC), and comply with the provisions of the Jamaican Companies Act.

(b) Basis of preparation:

These financial statements are presented in United States dollar, which is the functional and presentation currency of the Company. The United States dollar is the functional currency because it is the primary economic environment in which the Company operates.

The financial statements are prepared under the historical cost basis, modified for the inclusion of land at valuation, other financial liability at fair value and the measurement at deemed cost for specialised plant and equipment. Deemed cost represents the fair value at the date of transition to IFRS.

4. Summary of significant accounting policies

4.1 Changes in accounting standards and interpretations

i) Current year changes

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following amendments to IFRS effective as of 1 January 2013:

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 – Effective 1 July 2012
- IAS 19 Employee Benefits (Revised) – Effective 1 January 2013
- IAS 27 Separate Financial Statements – Effective 1 January 2013
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) – Effective 1 January 2013
- IFRS 1 Government Loans – Amendments to IFRS 1 – Effective 1 January 2013
- IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7 – Effective 1 January 2013
- IFRS 10 Consolidated Financial Statements – Effective 1 January 2013
- IFRS 11 Joint Arrangements – Effective 1 January 2013
- IFRS 12 Disclosure of Interests in Other Entities – Effective 1 January 2013
- IFRS 13 Fair Value Measurement – Effective 1 January 2013
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – Effective 1 January 2013

The effect of the adoption of the standards or interpretations is described below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example net loss or gain on valuation of available-for-sale financial assets) are presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and gains on revaluation of land and buildings). The amendments affect presentation only and have no impact on the Company's financial position or performance.

4. Summary of significant accounting policies (continued)

4.1 Changes in accounting standards and interpretations (continued)

i) Current year changes (continued)

IAS 19 Employee Benefits (Revised)
The IASB has issued amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amended standard will impact the net benefit expense as the expected return on plan assets will be calculated using the same interest rate as applied for the purpose of discounting the benefit obligation. The impact of this changes is explained in Note 4.23.

IAS 27 Separate Financial Statements (as revised in 2011) issued in May 2011. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment has no impact on the Company's financial statements.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11, 'Joint Arrangements', and IFRS 12 'Disclosure of Interests in Other Entities', IAS 28 'Investments in Associates', has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment has no impact on the Company's financial position or performance.

4. Summary of significant accounting policies (continued)

4.1 Changes in accounting standards and interpretations (continued)

i) Current year changes (continued)

IFRS 1 Government Loans – Amendments to IFRS 1
These amendments require first-time adopters to apply the requirements of IAS 20, 'Accounting for Government Grants and Disclosure of Government Assistance', prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendments have no impact on the Company's financial position or performance.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The adoption of this standard has had no impact on the Company's financial position or performance.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 10 replaces the portion of IAS 27, 'Consolidated and Separate Financial Statements' that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12, 'Consolidation — Special Purpose Entities'. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The amendments have no impact on the Company's financial statements.

4. Summary of significant accounting policies (continued)

4.1 Changes in accounting standards and interpretations (continued)

i) Current year changes (continued)

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31, 'Interests in Joint Ventures' and SIC-13, 'Jointly-controlled Entities — Non-monetary Contributions by Venturers'. Under this standard, joint arrangements are either joint operations or joint ventures. IFRS 11 removes the option to account for joint ventures using proportionate consolidation. Instead, joint ventures must be accounted for using the equity method. The amendments have no impact on the Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The amendments have no impact on the Company's financial statements.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure and disclose fair value under IFRS when fair value is required or permitted. Fair value is defined as an exit price. The adoption of this standard has had no impact on the Company's financial position or performance.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – Effective 1 January 2013
IFRIC 20 now clarifies when an entity should recognise production phase waste removal (stripping) costs (production stripping costs) incurred in relation to a surface mining operation, as an asset. Such an asset will be referred to as a stripping activity asset. The amendments have no impact on the Company's financial statements.

4. Summary of significant accounting policies (continued)

4.1 Changes in accounting standards and interpretations (continued)

i) Current year changes (continued)

Improvements to IFRSs

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards resulting in changes to accounting policies.

This resulted in a change in accounting policy as follows:

IAS 16 Property Plant and Equipment The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. The amendment has resulted in the reclassification of major production spares valued at $23.5 million from inventory to property, plant and equipment.

The adoption of the following amendments did not have any impact on the financial position or performance of the Company:

IFRS 1 First–time Adoption of International Financial Reporting Standards The amendment clarifies that, upon adoption of IFRS, an entity that capitalised borrowing costs in accordance with its previous GAAP, may carry forward, without adjustment, the amount previously capitalised in its opening statement of financial position at the date of transition. Once an entity adopts IFRS, borrowing costs, including those incurred on qualifying assets under construction, are recognised in accordance with IAS 23.

IAS 1 Presentation of Financial Statements The amendment clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

IAS 32 Financial Instruments, Presentation The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

IAS 34 Interim Financial Reporting The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments.

4. Summary of significant accounting policies (continued)

4.1 Changes in accounting standards and interpretations (continued)

ii) Future changes

The Company has not early adopted any new or revised IFRSs and IFRICs that have been issued but are not yet effective. The following have been issued but are not yet effective:

- IAS 27 (Amended), Separate Financial Statements – Investment Entities (effective for annual periods beginning on or after 1 January 2014)
- IAS 32 (Amended), Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)
- IAS 39 (Amended), Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014)
- IFRIC Interpretation 21 Levies (effective for annual periods beginning on or after 1 January 2014)
- IFRS 9 Financial Instruments (effective date not yet determined)
- IFRS 10 (Amended), Consolidated Financial Statements – Investment Entities (effective for annual periods beginning on or after 1 January 2014)
- IFRS 12 (Amended), Disclosure of Interests in Other Entities – Investment Entities (effective for annual periods beginning on or after 1 January 2014)

Management is currently assessing the impact of the new standards and interpretations on the Company's financial reporting.

4. Summary of significant accounting policies (continued)

4.2 Foreign currencies

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to United States dollars at the rates of exchange ruling at that date. Gains and losses arising from fluctuations in exchange rates are included in the statement of comprehensive income.

For the purposes of statement of cash flows, realised foreign currency gains and losses are treated as cash items and included in cash flows from operating or financing activities along with movement in the relevant balances.

4.3 Segment reporting

An operating segment is a component of an entity:

(i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(iii) for which discrete financial information is available.

The Company maintains an integrated operating structure and its operations are reviewed by management and directors as a whole and not in segments. Consequently, no segment disclosures are included in the financial statements.

4.4 Current vs. non-current

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

4. Summary of significant accounting policies (continued)

4.4 Current vs. non-current (continued)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.5 Financial instruments and fair value measurement

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

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financials assets as appropriate. All financial assets are recognised initially at fair value plus transaction costs attributable to the acquisition of the asset. For the purposes of these financial statements, financial assets have been determined to include cash and cash equivalents, and accounts receivable. The category most relevant to the Company is loans and receivables. Refer to Note 4.9 for more details.
A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flows from the asset. Purchases and sales of financial instruments are accounted for at settlement dates.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include bank overdraft, derivatives, accounts payable and provisions, due to related companies, customer deposits and loans.

4. Summary of significant accounting policies (continued)

4.5 Financial instruments and fair value measurement (continued)

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss - These include those held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains and losses on these liabilities are recognised in the statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in IAS 39 are satisfied.

Loans and borrowings – This category is most relevant to the Company. Refer to Note 4.14 for the relevant accounting policy.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender or at substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derocgnition of the original liability and the recognition of a new liability.

Derivative financial instruments
The Company may use derivative financial instruments such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial liabiltiies when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial assets takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. Summary of significant accounting policies (continued)

4.5 Financial instruments and fair value measurement (continued)

Fair value measurement (continued)
All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

Refer to Note 35 (c).

4.6 Property, plant and equipment and intangible assets

In accordance with IAS 16, additions to property, plant and equipment, replacement of retirement units of plant in service, or additions to construction work-in-progress include direct labour, materials, professional fees and an appropriate charge for overheads. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Specialized, plant and equipment are stated at deemed cost at the IFRS transition date of 1 January 2003, less accumulated depreciation and impairment losses, while all other property, plant and equipment are stated at cost except for land, which is stated at revalued cost. Land was revalued as at 31 December 2011 by an independent valuator using the Market Comparable Basis which is based on the use of sale values obtained for similar properties within the relevant period. Valuations are performed with sufficient frequency to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

Property, plant and equipment in the course of construction are carried at cost less recognised impairment losses.

Intangible assets, comprising computer software, are stated at cost, less amortisation and impairment losses. Impairment losses are recognised in the statement of comprehensive income in operating expenses.

4. Summary of significant accounting policies (continued)

4.6 Property, plant and equipment and intangible assets (continued)

Depreciation and amortisation:

Land and land rights are not depreciated.

Other property, plant and equipment and intangible assets are depreciated or amortised on the straight-line basis at annual rates estimated to write off the assets over their expected useful lives.

The depreciation rates, which are specified by the Licence, are as follows:

Steam production plant	4%
Hydraulic production plant	2%, 2½%, 2.86%
Other production plant	2½%, 4% & 5%
Transmission plant	4%
Distribution plant	3.33% & 4%
General plant & equipment:	
Buildings and structures	2%
Transport equipment	14.3%
Other equipment	4%, 5% & 6.65%

Computer software is amortised at 6.65% per annum.

These depreciation rates are reviewed annually by management to ensure compliance with IFRS.

4.7 Employee benefits

Assets and liabilities in respect of the defined benefit pension plan have been actuarially determined by a qualified independent actuary appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the Company's post-employment benefits asset and obligations as computed by the actuary.

(i) Pension assets:

The Company participates in two trusteed pension plans (a defined-benefit and a defined contribution pension plan), the assets of which are held separately from those of the Company, and remain under the control of the appointed trustees.

Obligations for contributions to the defined contribution pension plan are recognised as an expense in the statement of comprehensive income as incurred.

4. Summary of significant accounting policies (continued)

4.7 Employee benefits (continued)

(i) Pension assets (continued):

The defined benefit pension plan requires the Company to contribute a percentage of employees' pensionable earnings and employees to contribute a similar amount. Such contributions, which are actuarially determined, provide for current costs and amounts to amortise any past service deficits disclosed over the average future working lifetime of the active membership.

The Company's net obligation in respect of the defined benefit pension plan is calculated at each statement of financial position date by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods, discounting it to determine its present value, and deducting the fair value of the plan assets. To the extent that the obligation is less than the fair value of the plan assets, the asset recognised is restricted to the discounted value of future benefits available to the Company in the form of future refunds or reductions in contributions. The discount rate applied is the yield at statement of financial position date on long-term government instruments that have maturity dates approximating the term of the Company's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenure security on the market. The calculation is performed by a qualified independent actuary using the Projected Unit Credit Method.

In calculating the Company's obligation in respect of the plan at the statement of financial position date, actuarial gains or losses are recognised in the statement of comprehensive income in the accounting period in which they occur.

(ii) Other post-employment benefits:

A provision is made for unutilised vacation and sick leave in respect of services rendered by employees up to the statement of financial position date. Under collective bargaining agreements, employees are entitled to a termination benefit in relation to their unutilised vacation and sick leave entitlements that accumulate in certain instances over the life of their service. The provision includes estimated employer's statutory contributions arising out of leave-vesting.

4. Summary of significant accounting policies (continued)

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances including short-term deposits with maturities ranging between one and three months from the statement of financial position date.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding bank overdrafts.

4.9 Accounts receivable

Trade and other accounts receivable are stated at amortized cost less a provision for impairment losses. A provision for impairment losses is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the contracts originating the receivables. Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy or reorganization, and default or delinquency in payment are considered indicators that accounts receivable may be impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The losses arising from impairment are recognized in the statement of comprehensive income in operating expenses.

4.10 Inventories

Inventories materially comprise fuel stocks, and generation, transmission and distribution spare parts. Inventories are valued at the lower of cost, determined on a weighted average cost basis, and net realisable value.

4.11 Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated at each statement of financial position date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

4. Summary of significant accounting policies (continued)

4.11 Impairment (continued)

Calculation of recoverable amounts:

The recoverable amount of the Company's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated entity-specific future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

4.12 Accounts payable

Trade and other payables are stated at amortised cost.

4.13 Provisions

A provision is recognised in the statement of financial position when the Company has an obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of that obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value, and, where appropriate, the risks specific to the obligation.

4. Summary of significant accounting policies (continued)

4.14 Borrowings

(i) Capitalisation of borrowing costs:

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(ii) Debt issuance costs:

These represent legal, accounting and financing fees associated with securing certain long-term loans, which are being amortised on an effective rate basis over the lives of the loans.

(iii) Interest-bearing borrowings:

Interest-bearing borrowings are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liabilities. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using effective interest method.

4.15 Customer deposits

Given the long-term nature of the customer relationship, customer deposits and construction advances are shown in the statement of financial position as non-current liabilities (i.e., amounts not likely to be repaid within twelve months of the statement of financial position date). Interest is credited annually on customer deposits at rates prescribed in a directive by the Licence.

4.16 Preference shares

Preference share are classified as liabilities if a contractual obligation arises from payment of dividends or the instruments are redeemable at the option of the issuer.

4. Summary of significant accounting policies (continued)

4.17 Revenue recognition

Operating revenue represents income for the provision of electricity and related services. Income is recognised for billings made for these services and an estimate of electricity supplied prior to the end of the reporting period which is to be billed subsequently (referred to as "unbilled" revenues and included in accounts receivable).

Interest income

Interest income is recognised on an accrual basis using the effective interest rate method.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the lease term and is included in other income in the statement of comprehensive income.

4.18 Taxes

(i) Current and deferred taxes

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is computed using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

4. Summary of significant accounting policies (continued)

4.18 Taxes (continued)

(i) Current and deferred taxes (continued)

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(ii) General Consumption Tax (GCT)

The Government through an amendment to the GCT Act gazetted in 2012, removed GCT on electricity to residential customers and increased the rate applicable to all other customers to 16.5% with effect from 1 June 2012. Effective 1 June 2013, the Government enacted regulation permitting the Company to recover GCT incurred in the acquisition of goods or services used as inputs to its production process.

4.19 Leases

As lessee:
Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. The Company does not have any lease arrangements in which the lease payments are determined on a contingent basis, nor do any of the arrangements currently in effect impose any restrictions with respect to paying dividends, taking additional debt or entering into other lease arrangements.

With respect to the lease of the head office building, which has a fixed lease term of 10 years at a fixed annual rental charge, the Company has a first right of refusal should the Pension Plan opt to sell the building.

As lessor:
Leases in which the Company does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4. Summary of significant accounting policies (continued)

4.20 Related parties

A party is related to the Company if:

(i) directly or indirectly, the party:
- controls, is controlled by, or is under common control with the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company.

(ii) the party is a member of the key management personnel of the Company. Such personnel are persons having authority and responsibilities for planning, directing and controlling the activities of the Company whether directly or indirectly and whether through an executive or non-executive role.

(iii) the party is a close member of the family of any individual referred to in (i) or (ii) above.

(iv) the party is a post-employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the Company.

The Company's key related party relationships are with its parent company, ultimate parent company, fellow subsidiaries, fellow associated companies, the Government of Jamaica, directors, key management personnel and its two pension plans.

4.21 Use of estimates and judgements

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 applicable.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Pension

The amounts recognised in the statement of financial position and statement of comprehensive income for pension is determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, expected rates of salary and pension increases, and the discount rate used to determine the present value of estimated future cash flows required to settle the pension obligation.

4. Summary of significant accounting policies (continued)

4.21 Use of estimates and judgements (continued)

(i) Pension (continued)

The expected return on plan assets considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Company's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenure security on the market. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individually significant receivables with similar characteristics, such as credit risks.

(iii) Lease arrangements

Management evaluates all purchase arrangements to assess whether they contain leases [Notes 4.19 and 5].

(iv) Unbilled revenue

Unbilled revenue at each month-end is estimated consistently based on the average amounts billed in the billing period immediately preceding each reporting date including amounts unbilled for Independent Power Provider (IPP) charges (Note 36).

(v) Deferred tax

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilized. The amount of deferred tax assets that is recognized is based upon the likely timing and estimated levels of future taxable profits.

4. Summary of significant accounting policies (continued)

4.21 Use of estimates and judgements (continued)

(vi) Property, plant and equipment

Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the Company to enable the value to be treated as a capital expense.

Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon.

(vii) Provision for inventory obsolescence

The Company assesses on an annual basis its inventory to determine the provision that should be carried for items that are in good condition, but will not be used in the foreseeable future. Provision is also made for items that have deteriorated or become damaged while in stock.

4.22 IFRIC 12- Service Concession Arrangements ("Interpretation")

The Company reviewed the Licence to determine whether the arrangement with the OUR qualified as a service concession arrangement under the Interpretation. The Licence permits the Government of Jamaica to acquire the Company's electricity undertaking at the expiration of the term of the licence provided that the Minister gives at least two years' prior notice. If the Government of Jamaica exercises its option, the acquisition price is equal to the fair market value of an ongoing business concern including the Licence and all lands, building, works, materials, plant and property of all kinds whatsoever suitable to or intended for the purposes of the undertaking. Because the acquisition price is for the entire business as opposed to the underlying infrastructure, the arrangement is not within the scope of the Interpretation.

4.23 Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year. In particular, preference shares amounting to $132,000 were reclassified from equity to non-current liabilities and net remeasurement loss on defined benefit plan of $712,000 was reclassified from profit or loss to other comprehensive income. These reclassifications were not material to the financial statements. The impact of the restatement of unbilled revenue and other financial liabilities which had a material impact on the financial statements are described in Note 36.

5. Power purchase contracts

The Company has entered into agreements with independent power providers (IPPs) for the purchase of energy capacity and net energy output.

The IPP arrangements are:

	Contract termination date
Jamaica Energy Partners (JEP)	February 2026
The Jamaica Private Power Company Limited (JPPC)	January 2018
Jamaica Aluminium Company Limited (JAMALCO)	December 2019
Wigton Wind Farm Limited (Wigton)	May 2024
West Kingston Power Plant (WKPP)	July 2032

All agreements are subject to termination prior to the contract dates upon the occurrence of certain events of default as specified in the agreements, and are renewable for an additional period, provided the party seeking the extension gives written notice, ranging from two to six years, before the end of the initial term.

Certain agreements require payment for available energy capacity and for certain operating costs and overheads. Additionally, certain agreements require the Company to provide a banker's guarantee in relation to contractual payments. The Company has financing arrangements with financial institutions, which guarantee access to funds by IPPs for contractually agreed payments. As at 31 December 2013, the total guarantees under Standby Letters of Credit amounted to $32.5 million (2012: $33.5 million). These facilities were not accessed during the year.

The contracts with JEP, JPPC, WKPP and Wigton have been assessed as operating leases. The contract with JAMALCO is not considered an arrangement that contains a lease. The operating leases with JEP, WKPP and JPPC gave rise to unexpired commitments for energy capacity and certain operating charges payable at 31 December 2013, the minimum lease payments are as follows:

	2013	**2012**
	$'000	$'000
Within 1 year	66,895	65,934
From 1-2 years	67,909	66,895
From 3-5 years	187,221	199,354
Over 5 years	622,248	678,024
	944,273	1,010,207

Lease payments under operating leases with IPP recognised in the statement of comprehensive income for the year, aggregated approximately $104.3 million [2012: $84.7 million (Note 27 (a)].

6. Restricted cash

This cash is restricted in its use in the manner specified as follows:

	2013 $'000	2012 $'000
Self-insurance sinking fund	21,141	21,693
Advance against self-insurance sinking fund	-	(3,332)
Deposit guarantees on staff loans, IPP contracts etc.	501	488
	21,642	18,849

The self-insurance sinking fund represents cash maintained as part of the self-insurance sinking fund administered under the direction of the OUR (Note 2). The term deposits in the sinking fund earn interest at a rate of 3.70%.

7. Accounts receivable

	2013 $'000	2012 $'000
Trade receivables, net (i) & (ii)	140,874	158,177
Unbilled revenue	30,101	23,489
Prepayments	6,047	7,892
Other receivables	9,855	10,466
	186,877	200,024

(i) Trade receivables are shown net of an allowance for impairment losses as follows:

	2013 $'000	2012 $'000
Balance at beginning of year	36,788	37,871
Impairment loss recognized	18,342	20,133
Amounts recovered during the period	(483)	(506)
Amounts written off during the period	(16,219)	(20,710)
Balance at end of year	38,428	36,788

7. Accounts receivable (continued)

(ii) The aging of trade receivables at the reporting date was:

	2013		2012	
	Gross receivable $'000	**Gross impairment** $'000	**Gross receivable** $'000	**Gross impairment** $'000
Neither past due nor impaired:				
Due 0-30 days	95,700	-	102,052	-
Past due and not impaired:				
Past due 31-60 days	11,478	-	12,933	-
Past due 61-90 days	7,691	-	8,717	-
More than 90 days	26,005	-	34,475	-
	140,874	-	158,177	-
Past due and impaired:				
More than 90 days	38,428	38,428	36,788	36,788
Trade accounts receivable	179,302	38,428	194,965	36,788

8. Inventories

	2013 $'000	**2012** $'000
Fuel	18,333	17,869
Generation spare parts	8,279	21,812
Transmission, distribution and other spares	14,844	27,351
	41,456	67,032
Less: Provision for obsolescence	(585)	(309)
	40,871	66,723

9. Net cash and cash equivalents

This comprises:

	2013 $'000	**2012** $'000
Cash and cash equivalents	3,854	26,493
Bank overdraft	(1,938)	-
	1,916	26,493

10. Accounts payable and provisions

	2013 $'000	2012 $'000
Trade payables	146,860	140,348
Interest accrued on customer deposits and loans	16,646	15,356
Dividend payable	1,015	1,015
Other payables and provisions (i)	24,305	24,308
	188,826	181,027

(i) Other payables and provisions include provisions as follows:

	2013 $'000	2012 $'000
Balance at beginning of year	1,114	1,590
Provisions made during the year	317	2,210
Provisions utilised during the year	(276)	(2,686)
Balance at end of year	1,155	1,114

11. Other financial liabilities

At 31 December 2013, the Company had an interest rate swap agreement in place with a notional amount of $85,925,000 (2012 : $98,200,000) whereby the Company pays a fixed rate of interest of 1.78% and receives interest at a variable rate equal to the six month USD LIBOR. The fair value of the swap amounted to $0.63 million (2012 : $1.862 million). The change in the fair value of the swap is recognised in finance costs.

12. Property, plant & equipment

	Land, buildings & land rights	Production (generation) plant & equipment	Transmission and distribution plant & equipment	General plant & machinery	Computer equipment, office fixtures & fittings	Construction work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At cost or valuation:							
31 December 2011	96,128	647,022	942,549	119,408	72,455	59,287	1,936,849
Additions	82	344	16,205	86	137	45,389	62,243
Transfers	2,132	4,953	19,494	1,410	267	(28,256)	-
Disposals/retirements & adjustments	(12,328)	(37,371)	(52,971)	(46)	(187)	-	(102,903)
Revaluation	(56)	-	-	-	-	-	(56)
31 December 2012	85,958	614,948	925,277	120,858	72,672	76,420	1,896,133
Additions	1	13,492	24,077	320	228	51,457	89,575
Transfers	1,057	63,989	46,365	1,770	180	(113,361)	-
Disposals/retirements & adjustments	-	(14)	-	(97)	(1)	-	(112)
31 December 2013	87,016	692,415	995,719	122,851	73,079	14,516	1,985,596
Depreciation:							
31 December 2011	14,559	462,373	644,214	103,930	56,239	-	1,281,315
Charge for the year	893	23,369	20,487	2,480	2,475	-	49,704
Disposals/retirements	(6,050)	(35,159)	(51,250)	(27)	(80)	-	(92,566)
31 December 2012	9,402	450,583	613,451	106,383	58,634	-	1,238,453
Charge for the year	785	22,755	20,862	2,185	2,040	-	48,627
Disposals/retirements	-	-	-	(54)	(1)	-	(55)
31 December 2013	10,187	473,338	634,313	108,514	60,673	-	1,287,025
Net book values:							
31 December 2013	76,829	219,077	361,406	14,337	12,406	14,516	698,571
31 December 2012	76,556	164,365	311,826	14,475	14,038	76,420	657,680

12. Property, plant & equipment (continued)

(a) Land, buildings and land rights include land, at valuation, aggregating approximately $50.0 million (2012: $50.0 million). Land at cost amounted to $25 million (2012: $25 million). Land, which is considered a separate class of assets, was revalued in 2011 by independent professional valuators. During 2012, an additional revaluation deficit of $56,000 was recognized. In addition, land was sold in 2012 resulting in a transfer of $86,000 to retained earnings.

(b) The carrying value of temporarily idle property, plant and equipment at 31 December 2013 was $3.1 million (2012: $2.9 million).

(c) Interest capitalised during construction for the year amounted to approximately $1.5 million (2012: $1.7 million). The capitalisation rate used for the year was 3.738% (2012: 4.285 %).

(d) The composite rate of depreciation for the year was approximately 4.45% (2012: 4.38%).

13. Intangible assets

This represents acquired software costs capitalised as follows:

	2013 $'000	2012 $'000
Cost:		
At beginning of year	9,381	8,525
Additions	4,357	856
At end of year	13,738	9,381
Amortisation:		
At beginning of year	3,318	2,955
Charge for the year	541	507
Adjustment	2	(144)
At end of year	3,861	3,318
Net book value	9,877	6,063

14. Employee benefits

(a) Defined benefit pension plan

The Company administers a defined-benefit pension plan for selected employees and their beneficiaries. The accumulated fund is administered by the trustees who are assisted by an independent plan administrator and three fund managers; Sagicor Life of Jamaica Limited, Prime Asset Management Limited and NCB Insurance Company Limited. The administrator is Employee Benefits Administrator Limited, a wholly owned subsidiary of Sagicor Life Jamaica Limited, whose offices are located at 48 Barbados Avenue, Kingston 5, Jamaica, W.I. Effective 1 February 2007, the fund was closed to new entrants.

On retirement, a member is entitled to be paid an annual pension of 1⅔% on the highest average of the member's annual pensionable salary during any consecutive three year period of pensionable service multiplied by the number of years of pensionable service.

The plan was approved and registered pursuant to Section 13 of the Pensions (Superannuation Funds and Retirement Schemes) Act, 2004 on 16 December 2009.

(i) Employee benefits:

	2013 $'000	2012 $'000
Present value of funded obligations	(53,819)	(59,757)
Fair value of plan assets	94,597	99,889
Unrecognised amount due to limitation	(20,389)	(20,066)
Asset recognised in statement of financial position	20,389	20,066

(ii) Movements in funded obligations:

	2013 $'000	2012 $'000
Balance at beginning of year	(59,757)	(50,995)
Benefits paid	2,767	1,439
Current service	(2,273)	(2,196)
Interest costs	(4,860)	(5,015)
Voluntary contributions	(480)	(437)
Past service cost	7,074	(6,645)
Remeasurement (loss)/gain on obligation for OCI (vi)	(3,818)	471
Exchange gain	7,528	3,621
Balance at end of year	(53,819)	(59,757)

14. Employee benefits (continued)

(a) Defined benefit pension plan (continued)

(iii) Movements in plan assets:

	2013 $'000	2012 $'000
Fair value of plan assets at beginning of year	99,889	105,355
Contributions paid:		
Employer	1,647	1,863
Employees	2,127	2,299
Interest income on plan assets	9,209	10,095
Benefits paid	(2,768)	(1,439)
Refund to the Company	-	(8,459)
Remeasurement loss on assets for OCI	(2,816)	(2,608)
Exchange loss	(12,691)	(7,217)
Fair value of plan assets at end of year	94,597	99,889

	2013 $'000	2012 $'000
Plan assets consist of the following:		
Cash and cash equivalents	813	836
Investments quoted in active markets:		
Equities	16,612	16,545
Government bonds	50,545	56,815
Corporate bonds and other debt securities	7,873	4,272
Pooled pension investments	4,925	5,715
Unquoted investments:		
Real estate	10,021	11,432
Net current assets	3,808	4,274
	94,597	99,889

Included in the plan assets as at 31 December 2013 are:

- Real estate occupied by the Company with a fair value of $10 million.
- JPS 11% promissory notes with a fair value of $2.9 million and,
- JPS 9.5% Non-redeemable Preference shares with a fair value of $300,000.

All investments are issued by the Jamaican government or companies domiciled in Jamaica.

14. Employee benefits (continued)

(a) Defined benefit pension plan (continued)

(iv) Credit recognised in the statement of comprehensive income:

	2013 $'000	2012 $'000
Current service costs	2,273	2,196
Interest cost	4,860	5,015
Interest income on assets	(9,209)	(10,095)
Past service cost	(7,074)	6,645
Refund to the Company	-	(8,459)
Total credit	(9,150)	(4,698)
Net credit recognised due to limitation	(4,575)	(2,349)

The credit is recognised in operating and maintenance, selling, general and administrative expenses in the statement of comprehensive income.

(v) Remeasurement gains/(loss) recognised in other comprehensive income

	2013 $'000	2012 $'000
Remeasurement (loss)/gain on obligation for OCI	(3,818)	471
Remeasurement loss on assets for OCI	(2,816)	(2,608)
Total remeasurement loss	(6,634)	(2,137)
Remeasurement loss recognized due to limitation	(3,317)	(1,069)

14. Employee benefits (continued)

(a) Defined benefit pension plan (continued)

(vi) Remeasurement (loss)/gain on defined benefit obligation arising from:

	2013	2012
	$'000	$'000
Changes in demographic assumptions	-	-
Changes in financial assumptions	3,858	459
Experience adjustment	(7,676)	12
Remeasurement (loss)/gain on defined benefit obligation	(3,818)	471

(vii) Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2013	2012
Discount rate	9.50%	10.5%
Future salary increases	5.00%	6.00%
Future pension increases	0.00%	2.00%

Assumptions regarding future mortality are based on PA(90)M and PA(90)F tables with ages reduced by six years. The expected long-term rate of return is based on the assumed long-term rate of inflation.

Over the past five years, the pension plan has adopted a strategy of purchasing annuities for pensioners in order to finally determine the obligation for providing a pension to qualifying pensioners. By virtue of this, the majority of pensioners now receive pension payments from third party annuity providers as opposed to the pension plan.

The weighted average duration of the defined benefit obligation as at 31 December 2013 is 15 years.

The Company's estimated contribution for the 12 months subsequent to the year end is $1.7 million.

(viii) Sensitivity analyses

	Discount rate		Future salary increase	
	1% increase	1% decrease	1% increase	1% decrease
	$'000	$'000	$'000	$'000
Impact on the present value of defined benefit obligation	46,969	62,766	57,786	50,498

14. Employee benefits (continued)

(a) Defined benefit pension plan (continued)

(viii) Sensitivity analyses (continued)

The sensitivity analyses have been determined based on a method that extrapolates the impact on the net defined benefit asset as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

There were no changes to the methods used to prepare the sensitivity analyses.

(b) Other employee benefit obligations:

Other employee benefit obligations comprise:

	2013 $'000	2012 $'000
Accumulated sick and vacation pay	6,908	8,822

(c) Defined contribution pension plan:

The Company's contribution to the defined contribution pension plan for the year aggregated $382,000 (2012: $342,000). These are recognised in operating and maintenance, selling, general and administrative expenses in the statement of comprehensive income.

15. Other asset

This represents the cost of materials and labour incurred to wire the houses of certain customers. The amounts are being amortised over a period of thirty to sixty months, the period over which the Company expects to be reimbursed by the customers (Note 16). This comprises:

	2013 $'000	2012 $'000
Cost	5,433	6,468
Amortization	(827)	(671)
	4,606	5,797

16. Long-term receivables

This represents the long term portion of expenditure incurred by the Company for the wiring of houses for certain customers, recoverable over periods ranging from thirty to sixty months (Notes 15 and 25).

	2013 $'000	2012 $'000
Receivable	2,266	2,414
Current portion included in other receivables (Note 7)	(819)	(709)
	1,447	1,705

17. Share capital

	2013 No. of shares	2012 No. of shares
Authorised shares:		
Ordinary share capital		
Ordinary stock units at no par value	315,733,190	315,733,190
Ordinary shares at no par value	30,000,000,000	30,000,000,000
	30,315,733,190	30,315,733,190

	No. of shares	$'000
Issued and fully paid:		
Ordinary share capital		
At 1 January 2012		
Ordinary stock units	315,733,190	5,684
Ordinary shares	21,512,462,056	256,102
At 31 December 2012 and 31 December 2013 (Note 31)	21,828,195,246	261,786

18. Capital reserve

	2013 $'000	2012 $'000
Revaluation surplus	19,901	19,901

This represents the net surplus arising on the revaluation of land.

19. Customer deposits

	2013 $'000	2012 $'000
Customer deposits for electricity service (i)	16,721	18,693
Customer advances for construction (ii)	10,106	12,224
	26,827	30,917

(i) In general, the Company requires a deposit from customers before providing service. The deposit is refundable upon termination of service subject to certain conditions. Interest is paid annually to customers and applied to their electricity accounts according to rates prescribed by the OUR (Note 2), which are broadly equivalent to rates applicable to savings deposits.

(ii) Customer advances for construction relate to non-interest-bearing deposits obtained by the Company in relation to construction projects being undertaken by potential customers. These amounts are refundable subject to certain conditions.

20. Short term loans

The Company had no short term loans on record at 31 December 2013. The balance outstanding at 31 December 2012 was fully repaid in 2013. The balance comprised two short term facilities from Citibank, N.A. denominated in United States dollars on which interest was charged at a variable interest rate of LIBOR plus 4.5%

21. Long-term debts

		2013 $'000	2012 $'000
(a)	Kreditanstalt fur Weideraudfbau of Frankfurt Government of Jamaica (KFW/GOJ), 7% fixed rate, repayable 2030 [€3.9 million]	5,356	5,131
(b)	International Finance Corporation (IFC) variable rate, repayable 2015 [$45 million]	10,000	15,000
(c)	International Finance Corporation (IFC) variable rate, repayable 2020 [$30 million]	22,786	25,971
(d)	Deutsche Bank as trustees of the holders of the 11% Senior Notes due 2021 [$180 million]	175,409	175,039
(e)	FirstCaribbean International Bank (FCIB) variable rate, repayable 2015 [$40.9 million]	14,070	20,924
(f)	Espirito Santo Bank 6.5% fixed rate, repayable 2016 [$7.68 million]	3,737	5,033
(g)	Peninsula Corporation 5.25% fixed rate, repayable 2014 [$14.76 million]	-	9,390
(h)	Export Development Canada variable rate, repayable 2015 [$5.474 million]	2,670	4,046
(i)	Citibank Japan/NEXI variable rate, repayable 2020 [$65 million]	49,706	55,601
(j)	Proparco variable rate, repayable 2020 [$60.5 million]	46,065	52,515
(k)	OPEC Fund for International Development variable rate, repayable 2020 [$25 million]	19,135	21,828
(l)	Citibank		
	variable rate, repayable 2015 [$6 million]	6,000	-
	fixed rate, repayable 2015 [$9 million]	9,000	-
		363,934	390,478
	Less: Current portion	(37,492)	(36,906)
		326,442	353,572

[These amounts represent the original principal value of loans received.]

21. Long-term debts (continued)

(a) This loan was received from the Government of Jamaica (GOJ), based on a formal on-lending agreement dated 17 January 1996. Under the terms of the original agreement with KFW, the loan is unsecured and repayable commencing in 2010 through 2030. Interest is payable semi-annually in arrears.

(b) This loan is repayable in eighteen semi-annual instalments of $2,500,000, which commenced February 2007. The variable interest rate is based on LIBOR plus 6.5% per annum until 2014 and a spread of 6.25% thereafter. The loan is secured by a lien on certain assets of the Company as outlined in the terms of the agreement. The carrying value of those assets at 31 December 2013 was $28.7 million (2012:$34.1 million).

(c) This loan is unsecured and repayable in eighteen semi-annual instalments of $1,666,666.66, commencing March 2012. The variable interest rate is based on LIBOR plus 5.50% until 2014 and a spread of 5.25% thereafter. Interest is paid semi-annually commencing March 2011. The amount due is stated net of debt issuance costs of $547,000 (2012: $696,000) associated with the issue.

(d) This represents unsecured 11% Senior Notes issued on the US bond market and is tradable in Portal, a subsidiary of Nasdaq Stock Market, Inc. The Notes are payable in full on maturity; $179,189,000.00 to mature on 6 July 2021 and $811,000.00 to mature on 6 July 2016. Interest payments are to be made on 6 January and 6 July annually with record dates of 23 December and 22 June, respectively, and interest rates of 11% for 180/360 of principal amounts outstanding as at record dates. No collateral is required.

The amount due in respect of Senior Notes is stated net of debt issuance costs associated with the issue, as follows:

	2013	**2012**
	$'000	$'000
Cost:		
At beginning of year	7,815	7,815
Additions/adjustment	-	-
At end of year	7,815	7,815
Amortisation:		
At beginning of year	2,853	2,523
Amortisation charge for the year, net	370	330
At end of year	3,223	2,853
	4,592	4,962

21. Long-term debts (continued)

(e) This loan is unsecured and repayable in semi-annual instalments of $3.5M until maturity. On 1 April 2012, the Company negotiated a reduction in interest rate from 6 month LIBOR + 6.7% to 6 month LIBOR + 4.5% and in November 2012, an extension of the maturity date was granted until 30 December 2015. The amount due is stated net of debt issuance costs of $97,000 (2012: $173,500) associated with the issue.

(f) This is an unsecured loan facility for which the utilization of the funds was restricted to capital expenditure on goods originating in the United States. The amounts were drawn down on various dates and principal and interest are repayable semi-annually for each draw-down. The balance is scheduled to be repaid in full in August 2016. The amount due is stated net of debt issuance costs of $271,000 (2012: $512,000) associated with the issue.

(g) This loan was unsecured and repayable in semi-annual instalments of $421,000 and the balance at maturity. This loan was repaid in December 2013.

(h) This loan is unsecured and attracts interest at the rate of 6 month LIBOR plus 1.6%. The utilization of the funds was restricted to capital expenditure on goods originating in Canada. The principal amounts were drawn on various dates with interest and principal repayable semi-annually for each draw-down. The amount due is stated net of debt issuance costs of $62,000 (2012: $139,000) associated with the issue.

(i) This loan is unsecured and is repayable in sixteen semi-annual instalments of $4,062,500, which will commence in June 2013. Interest is also paid semi-annually. The variable interest rate is based on LIBOR plus 1.7% per annum. The amount due is stated net of debt issuance costs of $7,169,000 (2012: $9,399,000) associated with the issue and calculated on the overall approved loan amount of $100,000,000.

(j) This loan is unsecured and is repayable in eighteen semi-annual instalments of $3,361,111.11, which will commence in May 2012. The variable interest rate is based on LIBOR plus 5.50% per annum until 2014 and 5.25% thereafter. The amount due is stated net of debt issuance costs of $990,000 (2012: $1,262,000) associated with the issue.

(k) This loan is unsecured and is repayable in eighteen semi-annual instalments of $1,388,888.89, which will commence in May 2012. The variable interest rate is based on LIBOR plus 5.50% per annum until 2014 and 5.25% thereafter. The amount due is stated net of debt issuance costs of $309,000 (2012: $394,000) associated with the issue.

21. Long-term debts (continued)

(l) These loans were issued in December 2013 and are repayable by bullet payment of principal at maturity. Monthly payment of interest commences January 2014. The variable interest rate is based on LIBOR plus 6.4% per annum on the loan of $6,000,000 and a fixed interest rate of 7.5% on the loan of $9,000,000.

Compliance with debt covenants

Under the terms of the long term loan agreements with certain international development financial institutions, the Company is required to maintain a certain financial covenant relating to minimum Debt to Earnings before Interest Tax Depreciation and Amortization. The Company was non-compliant with this financial covenant as at 31 December 2012 when the covenant was in the ratio of 3.0:1. This instance of non-compliance, in the first instance, prevented the Company from paying dividends to its ordinary shareholders and from incurring additional indebtedness without the consent of the respective lenders, and provided the lenders with the option of issuing a notice of default and declaring all amounts of principal and interest immediately payable.

During 2013, JPS completed negotiations with its lenders resulting in the amendment of the Debt to EBITDA ratio of 3.0:1 to 3.5:1. By virtue of this amendment, the Company is now fully compliant with all its loan covenant obligations.

The total value of loan(s) affected by the instance of non-compliance with the loan covenant was $Nil at 31 December 2013 (2012: $171 million) with a further $Nil (2012 : $169 million) being affected by cross default provisions which would be triggered should the lender affected by the noncompliance register a breach on a loan.

22. Shareholder's loan

The shareholder's loan is unsecured and is due to EWP (Barbados) SRL1, a 40% shareholder in the Company, under terms similar to the Class 'G' preference shares described in Note 23. The loan does not have a fixed repayment date and interest is payable quarterly at a fixed rate of 11% per annum.

23. Preference shares

This comprises cumulative preference shares as follows:

	No. of shares	$'000
7% Class B Shares	420,000	38
5% Class C Shares	66,500	6
5% Class D Shares	680,000	61
6% Class E Shares	300,000	27
At 31 December 2012	1,466,500	132
Issuance of 9.5% Class F Shares	2,455,607	24,556
Issuance of 11% Class G Shares	299,954	3,000
At 31 December 2013	4,222,061	27,688

During the year, the Company issued US$ indexed cumulative preference shares listed as Classes 'F' and 'G'. The Class F preference shares are listed on the Jamaica Stock Exchange and are non-redeemable, whilst the Class G preference shares are redeemable and are held by two of the Company's existing major ordinary stock holders. The significant terms and conditions of both these classes of preference shares are as follows:

(i) Priority of payment to receive all dividends over any form of capital distributions;
(ii) Full voting rights on winding up;
(iii) Ranking in priority to common equity (but behind preference shares listed as classes B, C, D and E) in the event of a winding up; and
(iv) Dividends are payable quarterly at fixed rates per annum in Jamaican dollars indexed to the Unites States dollar.

The preference shares listed as Classes B, C, D and E are cumulative non-voting and are preferred only in respect of return of capital and any dividends in arrears on a winding up. Dividends on these shares are payable quarterly at fixed rates of per annum in Jamaican dollars.

Preference shares have been classified in these financial statements as financial liabilities.

24. Deferred taxation

Deferred tax liabilities relate to:

	Balance at 31 December 2011 $'000	Recognised in statement of comprehensive income $'000	Balance at 31 December 2012 $'000	Recognised in statement of comprehensive income $'000	Balance at 31 December 2013 $'000
Employee benefits, net	(6,043)	2,295	(3,748)	(746)	(4,494)
Accounts receivable	664	(572)	92	(57)	35
Accounts payable and provisions	5,625	(76)	5,549	118	5,667
Unrealised foreign exchange gains	(413)	500	87	(3,490)	(3,403)
Property, plant & equipment	(58,615)	(3,328)	(61,943)	(3,106)	(65,049)
Unamortised debt issuance costs	(6,555)	658	(5,897)	1,218	(4,679)
Cumulative tax losses	27,891	-	27,891	4,115	32,006
	(37,446)	(523)	(37,969)	(1,948)	(39,917)
Included in:					
Profit or loss (Note 30)		(880)		(3,054)	
Other comprehensive income		357		1,106	
		(523)		(1,948)	

25. Deferred revenue

Deferred revenue represents expenditure recoverable from certain customers that was incurred by the Company for the purpose of wiring their dwelling houses in order to facilitate certification to receive electricity supply. This will be released to income as those customers are billed to recover such expenditure. Refer to Note 16.

	2013 $'000	2012 $'000
Balance at the beginning of the year	2,700	1,553
Deferred during the year	623	1,659
Released to statement of comprehensive income	(826)	(512)
	2,497	2,700

	2013 $'000	2012 $'000
Current portion included in other payables (Note 10)	843	730
Non-current	1,654	1,970
	2,497	2,700

26. Operating revenue

The Company's revenue arises from the supply of electricity services in accordance with the Licence (Notes 1 and 2).

27. Expenses

a) Cost of sales

	2013 $'000	2012 $'000
Fuel	(728,745)	(777,645)
Purchased power (excluding fuel) (Note 5)	(104,270)	(84,654)
	(833,015)	(862,299)

b) Operating expenses

	2013 $'000	2012 $'000
Operating and maintenance, selling, general and administrative expenses	(143,265)	(158,878)
Depreciation and amortisation	(49,168)	(50,211)
	(192,433)	(209,089)

c) Finance costs, net

	2013 $'000	2012 $'000
Foreign exchange losses, net	(21,114)	(14,879)
Fair value gain/(loss) on interest rate swap	1,232	(1,862)
Other finance costs:		
Short-term loans	(1,403)	(906)
Long-term loans	(31,383)	(33,406)
Customer deposits	(549)	(437)
Bank overdraft and other	(5,721)	(1,740)
Preference dividends	(1,075)	(2)
Debt issuance costs and expenses	(4,829)	(3,636)
	(44,960)	(40,127)
Balance carried forward (page 50)	(64,842)	(56,868)

27. Expenses (continued)

c) Finance costs, net (continued)

	2013 $'000	2012 $'000
Balance brought forward (page 49)	(64,842)	(56,868)
Finance income:		
Interest income	1,615	2,367
Interest capitalised during construction [Note 12(c)]	1,450	1,701
	3,065	4,068
	(61,777)	(52,800)

Interest income arises materially from treasury transactions entered into in the ordinary course of business.

28. Disclosure of expenses (income) and related party transactions

(a) Operating profit before net finance costs, other income, other expenses and taxation is stated after charging:

	2013 $'000	2012 $'000
Directors' remuneration:		
Fees	60	34
Emoluments	229	240
Pensions to former managing directors	7	8
Compensation for key management:		
Short term benefits	1,956	2,750
Pensions paid	42	32
Staff costs	58,958	68,480
Audit fees (including GCT):		
Current year	216	168
Depreciation and amortisation	49,168	50,211
Pension credit [Note 14 (a) (iv)]	(4,575)	(2,349)

(b) The Company has various ongoing transactions with related companies. These include the provision of technical support and related professional services and the acquisition of specialised equipment and spare parts. These transactions include charges to MaruEnergy JPSCO 1 SRL and EWP (Barbados) 1 SRL of approximately $3.3 million (2012: $3.6 million) and recharges of approximately $1.6 million (2012: $0.7 million).

28. Disclosure of expenses (income) and related party transactions (continued)

(c) During 2013, the amount of $2M owing to EWP (Barbados) 1 SRL for charges was converted to a loan bearing interest at the rate of 11% per annum (Note 22). The Company also issued Class 'G" preference shares to the other two major shareholders, MaruEnergy JPSCO 1 SRL and the Government of Jamaica, in the amount of US$3 million (Note 23).

(d) During the year, the Company entered into a commercial lease agreement for its Head Office land and building situated at 6 Knutsford Boulevard, Kingston 5 with The Jamaica Public Service Company Limited (JPSCO) (Original 1973) Employees' Pension Plan, a related party. The lease agreement is for an initial lease term of ten (10) years commencing 1 January 2013 and renewable for a further period of five (5) years. Rental payments for the year totalled $819,000.

(e) The Company provides electricity for its related parties including the Government of Jamaica. Refer to Note 35 (a) (i). Total revenue from the Government for the year 2013 was $166.4 million (2012 : $173.1 million).

(f) Balance due to/(from) related party

	2013	**2012**
	$'000	$'000
EWP (Barbados) 1 SRL	619	1,065
Marubeni Caribbean Holding	8	(60)
	627	1,005

All the above transactions were executed in the ordinary course of business.

29. Other income and expenses

(a) Other income comprises:

	2013	**2012**
	$'000	$'000
Rental income	343	407
Insurance proceeds re Bogue combined cycle plant	1,603	-
Gain on disposal of property, plant and equipment	-	2,012
Inventory writeback	-	1,099
Miscellaneous proceeds from scrap sales and other settlements	2,479	1,913
	4,425	5,431

29. Other income and expenses (continued)

(b) Other expenses comprise:

	2013 $'000	2012 $'000
Restructuring cost	(2,197)	-
Hurricane restoration costs	(435)	(2,269)
Miscellaneous expenses	(296)	(790)
Impairment loss on property, plant and equipment	-	(1,775)
Project development costs written off	(1,413)	-
	(4,341)	(4,834)

30. Taxation

(a) Taxation is computed at 33⅓% of the Company's results for the year, adjusted for tax purposes and comprises:

	2013 $'000	2012 $'000
Current income tax expense	-	(4,785)
Origination and reversal of temporary differences (Note 24)	(3,054)	(880)
Taxation expense	(3,054)	(5,665)

(b) Reconciliation of tax expense:

	2013 $'000	2012 $'000
Profit before taxation	12,242	18,004
Computed "expected" tax @ 33⅓%	(4,080)	(6,001)
Tax effect of differences between profit for financial statements and tax reporting purposes in respect of:		
Investment allowances	4,953	3,925
Tax on unamortized loan discount	(790)	(580)
Other disallowed items	(3,137)	(3,009)
Taxation expense	(3,054)	(5,665)

(c) Tax losses:

At the year end the Company has unused tax losses of approximately $96 million (2012: $83 million) that is being carried forward for offset against future profits. This includes tax losses of approximately $83 million relating to the prior year restatement of unbilled revenue (Note 36). The amount being carried forward is subject to the agreement of the Tax Authorities.

31. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2013 $'000	2012 $'000
Profit for the year	9,188	12,339
	9,188	12,339
Number of shares [shown in thousands (Note 17)]	21,828,195	21,828,195
Earnings per share/stock unit	0.04¢	0.06¢

32. Dividends

	2013 $'000	2012 $'000
Ordinary dividends: Interim dividend declared	-	5,000
	-	5,000
Ordinary dividend per share /stock unit	-	0.02¢

Dividends on cumulative preference shares accrued at 31 December 2013 amounted to $1.078 million.

33. Commitments

Commitments for capital expenditure, for which no provision has been made in these financial statements, amounted to approximately $1.2 million (2012: $1.1 million).

In addition to its commitments under IPP contracts (Note 5), the Company had unexpired operating lease commitments at 31 December 2013 payable as follows:

	2013	**2012**
	$'000	$'000
Within 1 year	8,485	8,492
From 1-2 years	8,485	8,494
From 2-3 years	8,482	8,494
From 3-4 years	8,480	8,494
From 4-5 years	8,482	8,494
Over 5 years	7,663	15,765
	50,077	58,233

34. Contingent liabilities

As at 31 December 2013, the Company is subject to various lawsuits in the normal course of business. Of significance is a lawsuit brought against the Company by three persons who contend that the All-Island Electricity Licence granted to the Company in 2001, which provides for the Company to be the exclusive distributor of electricity, is unlawful. The judge delivered judgment in July 2012 and decided that the Licence is valid but the clause in it that gives the Company the exclusive right to distribute and transmit electricity is invalid. The Company has, however, filed an appeal against this judgment. The Appeal was heard in March and the Company is now awaiting the decision of the Court of Appeal . The Office of Utilities Regulation and the Government of Jamaica are also parties to the lawsuit and are also seeking to uphold the granting of the exclusive Licence to JPS. The outcome of this and other lawsuits cannot be determined with certainty. However, in the opinion of management and its legal counsel, where it is probable that an outflow will be made by the Company and the amount can be determined, a provision is made. A provision of $1.2 million (2012: $1.1 million) was made in the financial statements.

35. Financial instruments

(a) Financial risk management:

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

- Credit risk
- Liquidity risk
- Market risks
- Operational risks

This note presents information about the Company's exposure to each of the above risks arising in the ordinary course of the Company's business, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors, in managing the business of the Company, oversees the Company's risk management framework. Key management has responsibility for monitoring the Company risk management policies in their specified areas and report quarterly to the Board of Directors on their activities.

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

35. Financial instruments (continued)

(a) Financial risk management (continued)

The Company's directors have monitoring oversight of the risk management policies and are assisted in these functions by the Company's internal audit department. The internal audit department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

(i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, which is stated net of an allowance for doubtful balances.

As part of its management of credit risk, the Company requires account deposits from certain customers. Additionally, management has processes in place for the prompt disconnection of services to, and recovery of amounts owed by, defaulting customers.

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a loss component that relates to individually significant exposures. The loss allowance is determined based on historical payment statistics for similar financial assets and an assessment of the debtor's ability to settle debt. Refer to Notes 4.9 and 4.11.

Cash and short term deposit balances are managed by the Company's treasury department and amounts are held with reputable banks and financial institutions.

At 31 December 2013, the Company had significant concentrations of credit risk in respect of amounts receivable from the Government of Jamaica and its affiliates, in respect of electricity charges, aggregating $41.83 million (2012: $41.96 million). The Company maintains a very close relationship with the Ministry of Finance and the Ministry of Local Government in relation to this matter and discussions are held regarding the reduction of the outstanding balances fairly frequently. The Company considers concentrations of risk by reference to the amount of exposure it has to individual customers, including their related parties.

35. Financial instruments (continued)

(a) Financial risk management (continued)

(i) Credit risk (continued)

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2013 and 2012 is equivalent to the carrying amount of each financial asset outlined below.

	2013 $'000	2012 $'000
Cash and cash equivalents	1,916	26,493
Restricted cash	21,642	18,849
Accounts receivable	186,877	200,024
Long-term receivables	1,447	1,705
	211,882	247,071

(ii) Liquidity risk:

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

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Key management of the Company, in conjunction with its ultimate holding company, aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies. For example, the Company's treasury department receives and monitors information from other departments regarding the liquidity profile of their financial assets and liabilities and maintains a portfolio of short-term liquid assets and loans to ensure that sufficient liquidity is maintained within the Company as a whole. As at 31 December 2013, the Company had unutilised lines of credit aggregating $25.5 million (2012: $59.2 million).

35. Financial instruments (continued)

(a) Financial risk management (continued)

(ii) Liquidity risk (continued)

An analysis of the contractual maturities of the Company's financial liabilities is presented below. The analysis provided is by estimating timing of the amounts recognised in the statement of financial position.

		Contractual undiscounted cash flows					
	Carrying amount	Total cash outflow	Less than 1 year	1-2 years	3-5 years	6-10 years	More than 10 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2013:							
Bank overdraft	1,938	1,938	1,938	-	-	-	-
Accounts payable	188,826	188,826	188,826	-	-	-	-
Long term debt	363,934	560,980	71,247	102,681	131,831	251,423	3,798
Due to related companies	627	627	627	-	-	-	-
Customer deposits	26,827	26,827	-	-	5,285	-	21,542
Total financial liabilities	582,152	779,198	262,638	102,681	137,116	251,423	25,340
31 December 2012:							
Accounts payable	181,027	181,027	181,027	-	-	-	-
Short term loans	25,000	25,000	25,000	-	-	-	-
Long term debt	405,788	617,020	71,967	100,319	149,747	290,752	4,235
Due to related companies	1,005	1,005	1,005	-	-	-	-
Customer deposits	30,917	30,917	-	-	5,815	-	25,102
Total financial liabilities	643,737	854,969	278,999	100,319	155,562	290,952	29,337

Contracted off-balance cash payments in respect of independent power purchase agreements are disclosed in Note 5.

35. Financial instruments (continued)

(a) Financial risk management (continued)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the Company's assets, the amount of its liabilities and/or the Company's income. Market risk arises in the Company due to fluctuations in the value of assets and liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Company's exposures to market risks and its objectives, policies and processes for managing these risks have not changed significantly over the prior period. For each of the major components of market risk the Company has policies and procedures in place which detail how each risk is managed and monitored. The management of each of these major components of market risk and the exposure of the Company at the reporting date to each major risk are addressed below.

Derivative financial instruments are presently used to reduce exposure to fluctuations in interest rates (Note 11).

At 31 December 2013, the Company had no exposure to market risk relating to changes in equity prices.

- *Interest rate risk:*

  Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company contracts financial liabilities at fixed or floating interest rates. These primarily relate to loans, customer deposits, certain trade payables and bank overdrafts.

  The maturity profiles and interest rates of the Company's long-term loans are disclosed in Note 21, and the details of customer deposits in Note 19.

  Interest bearing financial assets relate to cash and cash equivalents.

35. Financial instruments (continued)

(a) Financial risk management (continued)

(iii) Market risk (continued)

- *Interest rate risk (continued):*

At 31 December 2013, the interest profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	2013	**2012**
	$'000	$'000
Fixed rate instruments:		
Financial assets	21,791	18,995
Financial liabilities	(225,128)	(194,725)
Variable rate instruments:		
Financial liabilities	(187,153)	(239,578)

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the statement of comprehensive income.

Cash flow sensitivity analysis for variable rate instruments:

A change of 50/250 (2012: 50/250) basis points in interest rates at the reporting date would have increased/decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2013 Effect on profit or loss		**2012 Effect on profit or loss**	
	250bp increase	50bp decrease	250bp increase	50bp decrease
Cash flow sensitivity (net)	(4,679)	936	(5,989)	1,198

35. Financial instruments (continued)

(a) Financial risk management (continued)

(iii) Market risk (continued)

- *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 Company incurs foreign currency risk primarily on the settlement of accounts receivables and payables and purchases and borrowings that are denominated in a currency other than the United States dollar. The currencies giving rise to significant foreign currency risk are the Jamaica dollar (J$) and Euro (€).

The Company manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

The table below shows the Company's foreign currency exposure, at the statement of financial position date:

	2013				2012		
	J$	€	£	US$	J$	€	US$
	$'000	$'000		$'000	$'000	$'000	$'000
Cash and cash equivalents	431,802	-	-	4,059	1,844,642	-	19,840
Trade and other receivables	19,731,345	-	-	185,484	17,899,819	-	192,518
Other asset	489,976	-	-	4,606	538,991	-	5,797
Accounts payable and provisions	(3,837,151)	(4,359)	(16)	(39,255)	(3,239,248)	(2,855)	(34,839)
Long-term loans	-	(3,879)	-	(5,356)	-	(3,879)	(5,131)
Customer deposits	(2,853,829)	-	-	(26,827)	(2,874,573)	-	(30,917)
	13,962,143	(8,238)	(16)	122,711	14,169,631	(6,734)	147,268

35. Financial instruments (continued)

(a) Financial risk management (continued)

(iii) Market risk (continued)

- *Foreign currency risk (continued)*:

Sensitivity analysis:
A 1% (2012: 1%) strengthening of the United States dollar (the Company's principal foreign currency) against the Jamaica dollar and the Euro would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2013		2012	
	Equity	**Profit/(loss)**	**Equity**	**Profit/(loss)**
	$'000	$'000	$'000	$'000
J$	(1,416)	(1,416)	(1,562)	(1,562)
Euro (€)	114	114	89	89
GBP (£)	-	-	-	-
Total	(1,302)	(1,302)	(1,473)	(1,473)

A 15% (2012: 10%) weakening of the United States dollar against the Jamaican dollar and the Euro, respectively, at year end would have the opposite effect, on the basis that all other variables remain constant.

	2013		2012	
	Equity	**Profit/(loss)**	**Equity**	**Profit/(loss)**
	$'000	$'000	$'000	$'000
J$	21,242	21,242	15,618	15,618
Euro (€)	(1,706)	(1,706)	(891)	(891)
GBP (£)	3	3	-	-
Total	19,539	19,539	14,727	14,727

35. Financial instruments (continued)

(a) Financial risk management (continued)

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes including regulatory risk, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company.

(b) Capital risk management

Capital risk is the risk that the Company fails to comply with mandated regulatory requirements, resulting in a breach of its operating Licence and the possible adverse effects on its tariff structure in accordance with its Licence (Note 2). The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the operational requirements set by the regulators;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain creditor and market confidence; and
- To maintain a strong capital base to support the development of its business.

The Company monitors capital using a gearing ratio, which is debt as a proportion of total capital. The Company aims to maintain a gearing ratio in the range of fifty percent (50%) and sixty percent (60%). For purposes of calculating this ratio preference shares are treated as equity instruments.

35. Financial instruments (continued)

(b) Capital risk management (continued)

	2013 $'000	2012 $'000
Bank overdraft	1,938	-
Current maturity of long term debts	37,492	36,906
Long term debts	326,442	353,572
Shareholder's loan	2,000	-
Total debt	367,872	390,478
Share capital	261,786	261,786
Capital reserve	19,901	19,901
Retained earnings	47,066	40,089
Preference shares	27,688	132
Total capital	356,441	321,908
Capital and debt	724,313	712,386
Gearing ratio	51%	55%

There were no changes in the Company's approach to capital management during the year.

35. Financial instruments (continued)

(c) Fair value disclosure

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. Management assessed that the carrying amounts of cash and cash equivalents, accounts receivable, related party balances, bank overdraft, accounts payable and provisions, and short-term loan approximate their fair values largely due to the short-term maturities of these instruments. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement.

The fair value of customer deposits and refundable customer advances cannot practically be determined, as payment dates and amounts are not determinable.

Basis for determining fair values of financial liabilities:

Quoted equities are valued using the quoted market bid prices listed on the Jamaica Stock Exchange.

Other investment notes are valued using the following techniques:

- Obtain bid yield from yield curve provided by a recognized pricing source (which uses market-supplied indicative bids).
- Using this yield, determine price using accepted formula.
- Apply price to estimate fair value.

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35. Financial instruments (continued)

(c) Fair value disclosure (continued)

Set out below is a comparison of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair values	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Financial liabilities				
Interest rate swap	630	1,862	630	1,862
Preference shares	27,688	-	28,763	-
Long term loans	367,934	390,478	452,021	427,144

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2013:

	Date of valuation	Quoted prices in active markets (Level 1) $'000	Significant observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value:					
Revalued property, plant & equipment					
Land [Note 12 (a)]	31 December 2011	-	-	49,966	49,966
Liabilities measured at fair value:					
Derivative contract - Interest rate swap	31 December 2013	-	630	-	630
Liabilities for which fair values are disclosed					
Preference shares	31 December 2013	-	28,763	-	28,763
Long term loans	31 December 2013	-	452,021	-	452,021
		-	481,414	49,966	531,380

35. Financial instruments (continued)

(c) Fair value disclosure:

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2012:

	Date of valuation	Quoted prices in active markets (Level 1) $'000	Significant observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value:					
Revalued property, plant & equipment					
Land [Note 12(a)]	31 December 2011	-	-	49,966	49,966
Liabilities measured at fair value:					
Derivative contract - Interest rate swap	31 December 2012	-	1,862	-	1,862
Liabilities for which fair values are disclosed					
Long term loans	31 December 2012	-	427,142	-	427,142
		-	429,004	49,966	478,970

36. Prior year adjustments

Unbilled revenue

Unbilled revenues were estimated using a certain methodology consistently since 2001. During 2013 an examination of the amounts that would be recovered in the billing period immediately following the period of recognition indicated that the level of unbilled revenues recognized at the end of each reporting period was overstated using this methodology. As such, a decision was taken to correct this error and a new estimation methodology was implemented in 2013, which reflects those revenues that would be billed in the billing period immediately following each reporting period. The amounts overstated were adjusted retrospectively in accordance with the requirements of IAS 8 and the impact of this prior year adjustment is as follows:

	Effect on receivables $'000	Effect on deferred taxation $'000	Effect on retained earnings $'000
Balance as at 31 December 2011, previously reported	271,573	65,337	89,158
Effects of prior year adjustment	(83,673)	(27,891)	(55,782)
Balance as restated at 31 December 2011	187,900	37,446	33,376

Other financial liabilities

During 2012, the Company entered into an interest rate swap arrangement with a certain financial institution. The fair value of this transaction was not recognised in the financial statements for 2012. The impact of that transaction on the financial statements of 2012 is as follows:

	Effect on statement of comprehensive income $'000	Effect on other financial liability $'000	Effect on deferred taxation $'000
Balance as at 31 December 2012, previously reported	12,900	-	38,590
Effects of prior year adjustment	(1,243)	1,862	(621)
Balance as restated at 31 December 2012	11,657	1,862	37,969

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jamaica Public Service Company Limited will be held on 18th day of July, 2014 at the Company's registered offices, 6 Knutsford Boulevard, Kingston 5 commencing at 10:00 a.m. for the following purposes:

1. TO RECEIVE THE ACCOUNTS

To receive the Audited Accounts for the year ended December 31, 2013 and the Reports of the Directors and Auditors thereon and to consider and (if thought fit) pass the following resolution:

"That the Accounts for the year ended December 31, 2013 together with the Reports of the Directors and Auditors thereon be approved and adopted"

2. TO ELECT DIRECTORS

1. In accordance with Articles 86 and 123 of the Company's Articles of Association, Messrs. Jin Won Kim, Geun Tae Kim, Tatsuya Ozono, Kengo Aoki and Seiji Kawamura having been appointed to the Board since the last Annual General Meeting shall cease to hold office and being eligible offer themselves for election.

   The Company is asked to consider, and if thought fit pass the following resolutions:

   i. "That Director Jin Won Kim is hereby elected a Director of the Company".
   ii. "That Director Geun Tee Kim is hereby elected a Director of the Company".
   iii. "That Director Tatsuya Ozono is hereby elected a Director of the Company".
   iv. "That Director Kengo Aoki is hereby elected a Director of the Company".
   v. "That Director Seiji Kawamura is hereby elected a Director of the Company".

2. "That Mr. Jin Won Kim having being appointed Director be and is hereby elected as Chairman of the Board in accordance with the Articles of Incorporation."

3. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION

4. ANY OTHER BUSINESS FOR WHICH DUE NOTICE HAS BEEN GIVEN.

DATED THIS 28th DAY OF APRIL, 2014

BY ORDER OF THE BOARD

.....

Katherine P.C. Francis
Secretary

FORM OF PROXY

I/WE ..... of ..... being a member/

members of the above Company hereby appoint the Chairman of the meeting or failing him

..... of.....

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the day of at 10:00 a.m. and at any adjournment thereof.

RESOLUTION	FOR	AGAINST
Resolution 1		
Resolution 2 1 (i)		
Resolution 2 1 (ii)		
Resolution 2 1 (iii)		
Resolution 2 1 (iv)		
Resolution 2 1 (v)		
Resolution 2 2		
Resolution 3		
Resolution 4		

DATED THE ..... DAY OF 2014

....

(signature) (signature)

1. If you wish to appoint a proxy other than the Chairman of the Meeting, please insert the person's name and address and delete the words "the Chairman of the Meeting or failing him". Initial the deletion.
2. Any alteration to this form of proxy should be initialled
3. If the appointer is a corporation this form of proxy must be UNDER ITS COMMON SEAL or under the hand of some officer or attorney of the corporation DULY AUTHORIZED IN WRITING
4. In case of joint holders the vote of the person whose name stands first on the Register will be accepted in preference to the vote of the other holders.
5. To be effective this form of proxy and the power of attorney or other (if any) under which it is signed or a notarially certified copy, of that power or authority must be deposited at Jamaica Public Service Company Limited, 6 Knutsford Boulevard, Kingston 5 for the attention of the Secretary not less than forty-eight (48) hours before the time for holding the meeting.

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