

ICD Utilities Limited
Interim Condensed Financial Statements
June 30, 2013 and 2012
(Unaudited)

ICD Utilities Limited
Statements Net Income (Loss) (Unaudited)

For the thousands of Bahamian dollars	2013	Three months ended June 30 2012	2013	Six months ended June 30 2012
Income (loss) from equity investment	\$1,253	\$(153)	\$1,834	\$(551)
Operating expenses				
Registrar fees	-	10	10	20
Foreign exchange gains	(15)	(6)	(25)	(1)
Stock exchange listing fees	-	-	5	5
Operating and general	-	12	2	14
Annual general meeting and annual report costs	3	-	3	2
Total operating expenses	(12)	16	(5)	40
Net income (loss) of ICD Utilities Limited	\$1,265	\$(169)	\$1,839	\$(591)
Weighted average shares of common stock outstanding-basic	10,000	10,000	10,000	10,000
Earnings (loss) per common share-basic	\$0.13	(\$0.02)	\$0.18	(\$0.06)

ICD Utilities Limited
Statements of Comprehensive Income (Loss) (Unaudited)

For the thousands of Bahamian dollars	2013	Three months ended June 30 2012	2013	Six months ended June 30 2012
Net income (loss) of ICD Utilities Limited	\$1,265	\$(169)	\$1,839	\$(591)
Other comprehensive income (loss)				
Share of investment accounted for using the equity method	(66)	-	215	-
Comprehensive income (loss)	\$1,199	\$(169)	\$2,054	\$(591)

Statements of Comprehensive Income (Loss) (Unaudited)
ICD Utilities Limited
Balance Sheets (Unaudited)

As at thousands of Bahamian dollars	June 30 2013	December 31 2012
Assets		
Current asset		
Cash	\$17	\$37
Long-term investment	43,419	41,370
Total assets	\$43,436	\$41,407
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2	9
Due to related parties	449	467
Total current liabilities	451	476
Equity		
Common stock	1,000	1,000
Additional paid-in capital	40,250	40,250
Accumulated other comprehensive loss	(500)	(715)
Retained earnings	2,235	396
Total equity	42,985	40,931
Total liabilities and equity	\$43,436	\$41,407

ICD Utilities Limited
Statements of Cash Flows (Unaudited)

For the thousands of Bahamian dollars	2013	Six months ended June 30 2012
Operating activities		
Net income (loss)	\$1,839	\$(591)
Adjustments to reconcile net (loss) income to cash used in operating activities:		
(Income) loss from equity investment	(1,834)	551
Decrease in accounts payable and accrued liabilities	(7)	-
(Decrease) increase in due to related parties	(18)	34
Net cash used in operating activities	(20)	(6)
Net decrease in cash	(20)	(6)
Cash, beginning of period	37	7
Cash, end of period	\$17	\$1

ICD Utilities Limited
Statements of Changes in Equity (Unaudited)

thousands of Bahamian dollars	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
For the six months ended June 30, 2013					
Balance, December 31, 2012	\$1,000	\$40,250	\$396	\$(715)	\$40,931
Net income of ICD Utilities Limited	-	-	1,839	-	1,839
Share of other comprehensive income of investment accounted for using the equity method	-	-	-	215	215
Balance, June 30, 2013	\$1,000	\$40,250	\$2,235	\$(500)	\$42,985
For the six months ended June 30, 2012					
Balance, December 31, 2011	\$1,000	\$40,250	\$12,286	-	\$53,536
Net loss of ICD Utilities Limited	-	-	(591)	-	(591)
Balance, June 30, 2012	\$1,000	\$40,250	\$11,695	-	\$52,945

ICD Utilities Limited
Notes to the Interim Condensed Financial Statements (Unaudited)
As at June 30, 2013 and 2012

1. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed financial statements have been prepared in accordance with International Accounting Standards 34: Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2012.

2. LONG-TERM INVESTMENT

This investment represents a 50 percent interest in Grand Bahama Power Company Ltd. ("GBPC"). GBPC was incorporated under the laws of the Commonwealth of The Bahamas and this is the principal place of business. GBPC's principal business activity is power generation and distribution within Grand Bahama. The shares are not quoted or traded as securities and have no readily determinable open-market value.

The investment in GBPC is as follows:

thousands of Bahamian dollars	
Opening balance, January 1, 2013	\$41,370
Equity income	1,834
Other comprehensive income	215
Closing balance, June 30, 2013	\$43,419

Financial data of the Company's equity method investment in GBPC is included in the following table:

thousands of Bahamian dollars	June 30 2013	December 31 2012
Balance sheet data		
Current assets	\$39,874	\$50,331
Long-term assets	222,539	250,086
Total assets	\$262,413	\$300,417
Current liabilities	\$44,025	\$80,936
Long-term liabilities	131,551	136,742
Total liabilities	175,576	217,678
Net assets	\$86,837	\$82,739
ICDU's investment	\$43,419	\$41,370
thousands of Bahamian dollars	June 30 2013	Six months ended June 30 2012
Income statement data		
Operating revenues	\$55,072	\$62,416
Operating expenses	46,723	54,961
Income from operations	8,349	7,455
Other expenses, net	4,632	8,557
Net income (loss)	\$3,717	\$(1,102)

ICD Utilities Limited
Supplemental Information
As at June 30, 2013 (Unaudited)

On January 17, 2013, GBPC and the GBPA finalized an Operating Protocol and Regulatory Framework Agreement. This agreement formalizes the operating protocols and regulatory construct GBPC agreed to in principle in June 2012, when the GBPA approved GBPC's new rate structure.

The new regulatory rate structure, which became effective July 1, 2012, consists of two components:

- a base rate intended to recover GBPC's operating expenses, depreciation and return on capital investment; and
- a fuel charge intended to recover all of GBPC's fuel costs.

As part of the initial rate case filing under the new regulatory structure, the GBPA approved a return on rate base of 10 percent. Every three years, commencing in January 2016, base rates will be reviewed and set by the GBPA.

To recognize the economic effects of the actions of the GBPA, the timing of recognition of certain revenues and expenses may differ from otherwise expected under generally accepted accounting principles for non-rate regulated entities. These timing differences create regulatory assets or liabilities representing amounts that GBPC is expected to collect from or return to customers in future rates. Under United States generally accepted accounting principles ("US GAAP"), guidance is provided regarding these regulatory assets and liabilities recognized in GBPC's US GAAP financial statements.

Under IFRS, there is no specific guidance for regulated entities and in particular for the recognition of regulated assets and liabilities. In order to provide users of the financial statements with a clear and complete understanding of GBPC's economic position, operating within a rate regulated environment, we have provided a reconciliation of the balance sheets and statements of comprehensive income between IFRS and US GAAP.

IFRS differences

The reconciliation of the Balance Sheets of GBPC from IFRS to US GAAP is as follows:

As at June 30, 2013 thousands of Bahamian dollars	IFRS	Effect of IFRS	US GAAP
Regulatory assets	-	\$33,109	\$33,109

As at December 31, 2012 thousands of Bahamian dollars	IFRS	Effect of IFRS	US GAAP
Regulatory assets	-	\$34,565	\$34,565

For the six months ended June 30, the effect on the Statements of Net Income (loss) is as follows:

As at June 30, 2013 in thousands of Bahamian dollars	IFRS	Effect of IFRS	US GAAP
Revenue			
Net income per GBPC	\$3,717	\$(1,131)	\$2,586
Equity income per ICDU	\$1,834	\$ (541)	\$1,293

As at June 30, 2012 in thousands of Bahamian dollars	IFRS	Effect of IFRS	US GAAP
Revenue			
Net (loss) income per GBPC	\$(1,101)	\$ (384)	\$1,485
Equity (loss) income per ICDU	\$ (551)	\$1,243	\$ 742