



ICD UTILITIES LIMITED



The principal business activity of ICD Utilities Limited is to act as a holding company for the purpose of ownership of a 50% interest in Grand Bahama Power Company Limited.

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PRESIDENT'S LETTER

ICD Utilities Limited and Grand Bahama Power Company Limited

Over the past twelve months, Grand Bahama Power Company (GBPC) has seen vast improvements in its standard of performance. I am exceptionally proud of the dedicated team at Grand Bahama Power Company (GBPC) who continues to work hard to improve the reliability of electricity and the level of customer service on the island of Grand Bahama.

Our three point turnaround plan for GBPC is progressing well. The new plant at West Sunrise has been a major advancement in ensuring reliable, stable electricity for our customers. The development of detailed drawings of infrastructure, testing and re-commissioning of all substation equipment, and the implementation of a formal preventative maintenance program has significantly improved our transmission and distribution system. I'm pleased to say this work has reduced the frequency of, and response time to, outages so much so that we achieved a 50 per cent decline in the duration and frequency of customer outages in 2013 and look forward to even stronger performance in 2014.

Last year we signed one of the most advanced sets of regulatory protocols in the Caribbean. *The Regulatory Framework Operating Protocol* between GBPC and the Grand Bahama Port Authority (GBPA) provides consistency and transparency around rate-setting, efficiency and reliability. It also encourages investment in system infrastructure which will help reduce costs to customers. The Protocol allows the GBPA to set performance targets and customer service standards which GBPC is measured against to ensure we have a constant read on our performance and that we continue to sustain our price to customers as one of the lowest in the region. Since establishing this framework I am happy to report our payout cost - the quarterly penalty fees payable when GBPC misses a performance target - has decreased from \$1200 to \$150 in three quarters.

Providing excellent customer service is very important to our business. Since implementing the e-billing program in 2012, we have welcomed over four thousand customers to the program. Our generation team is working hard to ensure a more stable fuel charge, keeping it below 16 cents per kWh each month. Customer service continues to be a top priority going forward.

In January 2013 I took on the oversight of all Emera's interest in our region as President of Emera Caribbean Limited (ECL). I have executive oversight for Light & Power Holdings (including Barbados Light & Power and Dominica Electricity Services) along with GBPC, and responsibility for all business development activity in the Caribbean. This role provides the benefit of greater awareness of activities and opportunities within our region for collaboration, shared learning and development. I am proud to say that we are seeing these opportunities come to fruition through our Employee Exchange Program. ECL's regional exchange program not only provides Caribbean affiliates with an opportunity to exchange information and best practices; it is also a chance for employees of each affiliate to be ambassadors of their home companies and countries through their exchange experiences. Ensuring that our employees have the knowledge and skills required to be the best they can be benefits our customers and our business in myriad ways.

A significant part of our turnaround plan at GBPC has been to identify opportunities to produce electricity from cleaner fuel sources. That's why we're pursuing plans to import Compressed Natural Gas from Florida to the island of Grand Bahama for use in our generation facilities. The project is currently undergoing a regulatory process, and once approved, holds some important benefits for GBPC and our customers.

By incorporating natural gas into our generation mix, we can reduce our environmental impact because natural gas is lower emitting than heavy fuel oil; it's also less expensive over the long term. Compared to our existing fuel options, natural gas will bring cost stability for our customers and could potentially provide a more cost effective energy source for local industry.

At GBPC, we are also excited about our Biofuel Demonstration Project. Launched in 2013, we are leading this partnership to find out if the *Jatropha curcas* plant can be grown and processed on-island to produce a vegetable-based biodiesel for use in generation. I look forward to having more to report on these exciting initiatives.

Thank you to our Grand Bahama Power and ICD Utilities Board members. Their continued support and guidance has been instrumental in our progress over the past year. Sincere appreciation, as well, to the more than 150 dedicated employees at Grand Bahama Power. They work hard every day to help build a power company our customers and shareholders can be proud of.

I look forward to reporting continued progress in 2014.



Sarah MacDonald
President, ICD Utilities Limited
President and Chief Executive Officer,
Grand Bahama Power Company



MANAGEMENT'S DISCUSSION AND ANALYSIS

As at March 18, 2014

Management's Discussion and Analysis ("MD&A") provides a review of the results of operations of ICD Utilities Limited ("ICDU" or "the Company") during the fourth quarter of 2013 relative to 2012; and the full year of 2013 relative to 2012 and 2011; and its financial position as at December 31, 2013 relative to December 31, 2012. To enhance shareholders' understanding, certain multi-year historical financial and statistical information is presented. All amounts are expressed in Bahamian dollars.

This discussion and analysis should be read in conjunction with the ICD Utilities Limited annual audited financial statements and supporting notes as at and for the year ended December 31, 2013. ICDU follows International Financial Reporting Standards ("IFRS" or "GAAP").

ICDU was incorporated under the laws of the Commonwealth of The Bahamas on April 15, 1993, for the purpose of holding a 50 per cent interest in Grand Bahama Power Company Limited ("GBPC"), formerly Freeport Power Company Limited. The shares were transferred from a related company on April 30, 1993. Effective January 1, 2011, GBPC follows the United States Generally Accepted Accounting Principles.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable securities laws. The words "anticipates", "believes", "could", "estimates", "expects", "intends", "may", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this MD&A includes statements which reflect the current view with respect to the Company's objectives, plans, financial and operating performance, business prospects and opportunities. The forward-looking information reflects management's current beliefs and is based on information currently available to ICDU's management and should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved.

The forward-looking information is based on reasonable assumptions and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations may also include: regulatory risk; operating and maintenance risks; economic conditions; availability and price of energy and other commodities; capital resources and liquidity risk; weather; commodity price risk; competitive pressures; construction risk; derivative financial instruments and hedging availability and cost of financing; interest rate risk; counterparty risk; competitiveness of electricity as an energy source; commodity supply; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental, financial reporting and tax legislation; loss of service area; market energy sales prices; labour relations; and availability of labour and management resources.

Readers are cautioned not to place undue reliance on forward-looking information as actual results could differ materially from the plans, expectations, estimates or intentions and statements expressed in the forward-looking information. All forward-looking information in this MD&A is qualified in its entirety by the above cautionary statements and, except as required by law, ICDU undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

Structure of MD&A

This MD&A begins with an Introduction and Strategic Overview; followed by the Review of 2013; then presents information on ICDU's significant influence investment, GBPC's Liquidity and Capital Resources, including Cash Flow Highlights, Transactions with Related Parties, Business Risks and Risk Management, Critical Accounting Estimates and Significant Accounting Policies, Changes in Accounting Policies and Practices and Summary of Quarterly Results.

INTRODUCTION AND STRATEGIC OVERVIEW

ICDU was incorporated under the laws of the Commonwealth of The Bahamas on April 15, 1993, for the purpose of holding a 50 per cent interest in GBPC, formerly Freeport Power Company Limited. The shares were transferred from a related company on April 30, 1993.

In September 2008, Emera Incorporated (“Emera”) purchased a 50 per cent interest in ICPU and in December 2010, through one of its subsidiaries, Emera Caribbean Limited, purchased the remaining 50 per cent interest in GBPC and an additional 10.7 per cent interest in ICPU.

GBPC is a vertically integrated utility and sole provider of electricity on Grand Bahama Island. It was incorporated on April 18, 2001, under the laws of the Commonwealth of The Bahamas. Previous to this, the Company operated as Freeport Power Company Limited. GBPC owns approximately 98 megawatts (“MW”) of oil-fired generation, 138 kilometres of transmission facilities and 860 kilometres of distribution facilities, and has a workforce of approximately 156 people. As at December 31, 2013, the Company serviced approximately 19,000 (2012 – 19,204) customers, of whom approximately 15,378 (2012 – 15,506) were residential customers.

GBPC is a rate regulated utility, which is regulated by the Grand Bahama Port Authority Limited (the “GBPA” or “Port Authority”), which has granted it a licensed, regulated and exclusive franchise to generate, transmit and distribute electricity on the island until 2054.

In 2012, GBPC completed construction of the 52 MW West Sunrise diesel generation plant, which improved efficiency and achieved fuel savings. GBPC received regulatory approval to include the costs associated with the plant in the rate base which was implemented as of July 1, 2012. In addition, a review is underway assessing alternative fuel sources, including renewables and compressed natural gas.

The energy industry is seasonal in nature for companies like ICPU, where seasonal and unseasonal weather patterns can affect the demand for energy and the cost of service.

Developments

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 a component of its regulatory agreement with the GBPA, GBPC has an Earnings Share Mechanism to allow for earnings above or below its approved 10 per cent return on rate base, to be deferred to a regulatory asset or liability at the rate of 50 per cent of amounts below a 9 per cent return on rate base and 50 per cent of amounts above 11 per cent return on rate base, respectively. GBPC recorded a regulatory asset of \$2,631 thousand related to the Earnings Share Mechanism for the period of July 1, 2012 to December 31, 2013. GBPC will amortize this deferral into income beginning in 2016.

REVIEW OF 2013

ICDU FINANCIAL HIGHLIGHTS

For the	Three months ended		Year ended		
	December 31		December 31		
thousands of Bahamian dollars (except per share amounts)	2013	2012	2013	2012	2011
Equity income (loss)	\$ 934	\$ (9,386)	\$ 5,864	\$ (8,574)	\$ (3,373)
Operating expenses					
Registrar fees	10	10	40	40	40
Foreign exchange losses (gains)	(17)	4	(26)	8	(7)
Stock exchange listing fees	–	–	5	5	5
Operational and general	2	23	7	28	131
Directors' fees and annual report costs	28	2	49	28	37
Net income (loss)	\$ 911	\$ (9,425)	\$ 5,789	\$ (8,683)	\$ (3,579)
Earnings per common share – basic	\$ 0.09	\$ (0.94)	\$ 0.58	\$ (0.87)	\$ (0.36)
Dividends per common share declared	\$ 0.12	\$ –	\$ 0.12	\$ –	\$ –
As at				December 31	
thousands of Bahamian dollars			2013	2012	2011
Total assets			47,510	41,407	49,950

For the year ended December 31, 2013, ICDU's net income increased \$14,472 thousand to \$5,789 thousand compared to a net loss of \$8,683 thousand in 2012 primarily due to GBPC's new regulatory rate structure which became effective July 2012 and the recognition by GBPC of a loss on disposal of assets of \$22,000 thousand resulting from the West Sunrise Plant coming on-line and replacing older generating assets.

SUMMARY OF GBPC FINANCIAL HIGHLIGHTS

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

As at and for the year ended

thousands of Bahamian dollars	2013	2012
Balance sheet data		
Current assets	\$ 44,930	\$ 50,331
Other assets	201,707	198,324
Goodwill	51,763	51,763
Total assets	\$ 298,400	\$ 300,418
Current liabilities	\$ 64,947	\$ 80,936
Long-term liabilities	107,150	136,742
Total liabilities	172,097	\$ 217,678
Preferred stock	\$ 33,857	–
Net assets	\$ 92,446	\$ 82,740
ICDU's investment	\$ 46,223	\$ 41,370
Income statement data		
Operating revenues	\$ 115,169	\$ 120,352
Operating expenses	(95,503)	(113,054)
Income from operations	19,666	7,298
Loss on disposal of assets	–	(22,878)
Other expenses, net	(6,650)	(1,569)
Net income (loss)	13,016	(17,149)
Preferred dividends	(1,240)	–
Net income attributable to common shareholders	11,766	(17,149)
Other comprehensive income	475	1
ICDU's share of net income attributable to common shareholders	5,888	(8,574)
ICDU's other income	(24)	–
ICDU's equity income (loss)	\$ 5,864	\$ (8,574)

LIQUIDITY AND CAPITAL RESOURCES

The Company generates cash primarily through its equity investment in GBPC. Circumstances that could affect the Company's ability to generate cash include general economic downturns in GBPC's markets, regulatory decisions affecting customer rates and the recovery of regulatory assets and changes in environmental legislation. GBPC is capable of paying dividends to ICDU provided they do not breach their debt covenants, where applicable, after giving effect to the dividend payment.

Cash Flow Highlights

Significant changes in the statements of cash flows between the years ended December 31, 2013 and 2012 include:

Year ended December 31	2013	2012	\$ Change
thousands of Bahamian dollars			2013 versus 2012
Cash and cash equivalents, beginning of period	\$ 37	\$ 7	\$ 30
Provided by (used in):			
Operating activities	1,250	30	1,220
Cash and cash equivalents, end of period	\$ 1,287	\$ 37	\$ 1,250

OPERATING CASH FLOWS

Net cash provided by operating activities increased \$1,220 thousand to \$1,250 thousand for the year ended December 31, 2013 compared to \$30 thousand for the year ended December 31, 2012. The increase was primarily due to the receipt of dividends from GBPC.

Working Capital

As at December 31, 2013, ICDU's cash balance was \$1,287 thousand (2012 – \$37 thousand) and working capital was \$1,280 thousand (2012 – \$28 thousand).

ICDU's future liquidity and capital needs will be predominately for working capital requirements and dividends.

Capital Expenditures

The Company's long-term investment, GBPC, incurs capital expenditures as a part of its operations. Capital expenditures for GBPC, including AFUDC, for the year ended December 31, 2013 were approximately \$6,450 thousand (2012 – \$46,480 thousand). Capital expenditures in 2012 included the completion of the West Sunrise diesel generation plant.

For the year ended December 31, 2014, forecasted gross capital expenditures for GBPC are as follows:

thousands of Bahamian dollars	Total
Generation	\$ 1,622
Transmission	285
Distribution	2,661
Facilities, equipment vehicles, and other	3,363
	\$ 7,931

Share Capital

As at December 31, 2013, ICDU had 10,000 thousand (2012 – 10,000 thousand) common shares issued and outstanding.

On January 16, 2013, GBPC issued thirty-two thousand non-voting cumulative redeemable perpetual variable preferred shares at \$1,000 Bahamian per share for gross proceeds of \$32,000 thousand Bahamian and net proceeds of \$30,900 thousand Bahamian. The net proceeds of the share offering were used to repay intercompany loans with Emera for construction of the West Sunrise Plant.

On July 17, 2013, GBPC issued an additional three thousand non-voting cumulative redeemable perpetual variable preferred shares at \$1,000 Bahamian per share for gross proceeds of \$3,000 thousand and net proceeds of \$2,900 thousand.

TRANSACTIONS WITH RELATED PARTIES

For the year ended December 31, 2013 Emera paid operating expenses on behalf of the Company in the amount of \$77 thousand (2012 – \$467 thousand). This amount is measured at the exchange amount. There is no written agreement between the Company and Emera for the allocation of the above expenses; however, the ICDU Board of Directors has approved the above allocation.

As at December 31, the following related party balances were included in the balance sheets:

thousands of Bahamian dollars	2013	2012
Due to Emera Inc.	\$ 544	\$ 467

GBPC'S RISKS

GBPC's risk management activities are focused on those areas that most significantly impact profitability, quality of income and cash flow. These risks include, but are not limited to, exposure to regulatory and political risk, weather, commodity price risk, foreign exchange, commercial relationships, labour and capital market.

In this section, the Company describes some of the principal risks management believes could materially affect its business, revenues, operating income, net income, net assets, or liquidity or capital resources. The nature of risk is such that no list can be comprehensive, and other risks may arise or risks not currently considered material may become material in the future.

Regulatory and Political Risk

The Company's long-term investment is subject to risk of the recovery of costs and investments in a timely manner. As a cost-of-service utility with an obligation to serve, GBPC must obtain regulatory approval to change electricity rates and/or riders from its respective regulator. Costs and investments can be recovered upon its regulator's approval of the recovery in adjustments to rates and/or riders, or may be mandated by other governmental bodies. In addition, the commercial and regulatory frameworks under which ICDU and its long-term investment operate can be impacted by significant shifts in government policy and changes in government.

The regulator scrutinizes the costs, actions and plans of GBPC and determines whether to allow recovery and to adjust rates based upon the Company's submissions. In some circumstances, other government bodies may influence the setting of rates. GBPC manages this regulatory risk through ongoing stakeholder and government consultation and multi-party engagement on aspects such as utility operations, rate filings and capital plans, and GBPC employs a collaborative regulatory approach.

Weather Risk

The Company's long-term investment is subject to shifts in weather patterns, which could affect electric sales volumes and associated revenues and costs. Extreme weather events generally result in increased operating costs associated with restoring power to customers. GBPC responds to significant weather event related outages according to its emergency services restoration plan.

Commodity Price Risk

Heavy Fuel Oil

The Company's long-term investment is subject to heavy fuel oil commodity price risk. GBPC manages exposure to change in the market price of heavy fuel oil through the use of futures contracts. GBPC has entered into fixed price futures contracts to hedge approximately 75 per cent of their heavy fuel oil requirements over time, beginning in 2014.

Economic Dependence Risk

ICDU's business is restricted to its investment in GBPC. Therefore, the Company's financial results are dependent on the GBPC. The inability of GPBC to manage its business effectively could have a material adverse impact on the Company's operations.

Economic Risk

The Company's long-term investment is subject to economic risk. Grand Bahama relies heavily on a successful industrial sector and tourism, which are impacted by different world economies. Failure of these industries to experience positive growth could negatively impact GBPC and, in turn, ICDU's earnings.

Labour Risk

The Company's long-term investment is subject to labour risk. Certain GBPC employees are subject to collective labour agreements. Approximately 82 per cent of the full-time and term employees within the GBPC labour force are represented by local unions.

Capital Market Risk

The Company's long-term investment is subject to capital market risk. GBPC's utility operations and projects in development require significant capital investments in property, plant and equipment. Consequently, GBPC is an active participant in the debt and equity markets. Any disruption in capital markets could have a material impact on GBPC's ability to fund its operations. Capital markets are global in nature and are affected by numerous events throughout the world economy. Capital market disruptions could prevent GBPC from issuing new securities or cause the GBPC to issue securities with less than ideal terms and conditions.

CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with international financial reporting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Management evaluates the Company's estimates on an ongoing basis based upon historical experience, current conditions and assumptions believed to be reasonable at the time the assumption is made. Significant areas requiring the use of management estimates relate to a long-term investment. Actual results may differ significantly from these estimates.

Long-Term Investment

The Company holds a 50 per cent interest (2012 – 50 per cent) in GBPC and accounts for this long-term investment using the equity method of accounting, as the Company determined it maintains significant influence over the investment, but not control. The amount is adjusted annually for the Company's pro-rata share of the net earnings or losses of the investment and reduced by the amount of dividends received.

After application of the equity method, the Company determines whether it is necessary to recognize any additional impairment loss on its investment in the associate. The Company determines at each reporting date whether there is objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associated and its carrying value and recognizes the amount in the "Equity income (loss)" in the Statements of Net Loss.

Significant estimates are required in determining the recoverability of the investment, based on the underlying fair value of the investment relying on third-party evidence, as the shares of the investment are not quoted or traded as securities and have no readily determinable open-market value.

Unbilled Revenue

Electric revenues are billed on a systematic basis over a one-month period for GBPC. At the end of each month, the GBPC must make an estimate of energy delivered to customers since the date their meter was last read and of related revenues earned but not yet billed. The unbilled revenue is estimated based on several factors, including current month's generation, estimated customer usage by class, weather, line losses and applicable customer rates. Based on the extent of the estimates included in the determination of unbilled revenue, actual results may differ from the estimate.

CHANGES IN ACCOUNTING POLICIES AND PRACTICES

The accounting policies adopted are consistent with those of the previous financial year. Amendments resulting from improvements to IFRS to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

IFRS 12 Disclosure of Interests in Other Entities

ICDU applied IFRS 12 Disclosure of Interests in Other Entities, which resulted in additional disclosures in the financial statements.

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 to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on ICDU’s financial position or results of operations.

IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements

IFRS 10 replaces the portion of IAS 17 – Consolidated and Separate Financial Statements – that addresses the accounting for consolidated financial statements. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by the parent, compared with the requirements that were in IAS 27.

IFRS 11 replaces IAS 31 – Interests in Joint Ventures – and SIC 13 – Jointly controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, joint arrangements that meet the definition of a joint venture must be accounted for using the equity method. Otherwise, joint arrangements are classified as joint operations and are accounted for by recognizing the Company’s share of the arrangement’s assets and liabilities.

The adoption of these standards did not change the Company’s conclusion that it exercises significant influence over the investee rather than control or joint control. As a result, there was no impact to the Company’s financial position or performance.

Future Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been published and are mandatory for the Company’s accounting periods beginning on or after January 1, 2012, or later periods, and which the Company has not yet adopted are described below.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued in 2010, reflects the first phase of the IASB’s work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013. In November 2013, Chapter 6 of IFRS 9 on hedge accounting was published. At the same time, Chapter 7 containing the effective date and transition provisions was amended to remove the mandatory effective date of IFRS 9. This was intended to provide sufficient time for preparers to make the transition to the new requirements. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

In subsequent phases, the IASB is addressing impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

SUMMARY OF QUARTERLY RESULTS

For the quarter ended	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
thousands of Bahamian dollars (except per share amounts)								
Equity income (loss)	\$ 934	\$ 3,096	\$ 1,253	\$ 581	\$ (9,386)	\$ 1,363	\$ (153)	\$ (398)
Total net income (loss)	911	3,039	1,265	574	(9,425)	1,333	(169)	(422)
Earnings (loss) per common share – basic	0.09	0.31	0.13	0.06	(0.94)	0.13	(0.02)	(0.04)

Quarterly operating revenues and net income attributable to common shareholders are affected by seasonality. The third quarter is generally the strongest. As the energy industry is seasonal in nature for companies like ICDU's investment in GBPC, seasonal and unseasonal weather patterns, as well as the number and severity of storms, can affect the demand for energy and the cost of service.

THREE-YEAR FINANCIAL SUMMARY

For the year ended December 31 (thousands of Bahamian dollars)

	2013	2012	2011
Statements of Net Income (Loss)			
Equity income (loss)	\$ 5,864	\$ (8,574)	\$ (3,373)
Operating expenses			
Registrar fees	40	40	40
Foreign exchange losses (gains)	(26)	8	(7)
Stock exchange listing fees	5	5	5
Operating and general	7	18	131
Director's fees and annual report costs	49	38	37
Net income (loss)	5,789	(8,683)	(3,579)
Balance Sheets Information			
Current assets			
Cash	1,287	37	7
Long-term investment	46,223	41,370	49,943
Total assets	47,510	41,407	49,950
Current liabilities			
Accounts payable and accrued liabilities	7	9	8
Due to related parties	544	467	329
Dividends payable	1,200	-	-
Equity			
Common stock	1,000	1,000	1,000
Additional paid-in capital	40,250	40,250	40,250
Accumulated other comprehensive loss	(476)	(715)	(716)
Retained earnings	4,985	396	9,079
Total equity	45,759	40,931	49,613
Total liabilities and equity	47,510	41,407	49,950
Statements of Cash Flow Information			
Cash provided by (used in) operating activities	1,250	30	(54)
Financial ratios (\$ per share)			
Earnings (loss) per share	\$ 0.58	\$ (0.87)	\$ (0.36)

INDEPENDENT AUDITORS' REPORT

The Director and Shareholders of
ICD Utilities Limited

We have audited the accompanying financial statements of ICD Utilities Limited, which comprise the statements of financial position as at December 31, 2013, the statements of comprehensive income, statements of changes in equity and statements 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 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 audits. We conducted our audits 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ICD Utilities Limited as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

March 18, 2014

The logo for Ernst & Young, featuring the company name in a stylized, cursive script font.

Chartered Accountants

STATEMENTS OF COMPREHENSIVE INCOME

ICD Utilities Limited

	Year ended December 31	
thousands of Bahamian dollars	2013	2012
Equity income (loss)	\$ 5,864	\$ (8,574)
Cost of operations		
Registrar fees	40	40
Foreign exchange (gains) losses	(26)	8
Stock exchange listing fees	5	5
Operating and general	7	18
Directors' fees and annual report costs	49	38
	75	109
Net income (loss)	\$ 5,789	\$ (8,683)
Other comprehensive income		
Share of investment accounted for using the equity method	239	1
Comprehensive income (loss)	\$ 6,028	\$ (8,682)
Weighted average shares of common stock outstanding – basic	10,000	10,000
Earnings per common share – basic	\$ 0.58	\$ (0.87)

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

STATEMENTS OF FINANCIAL POSITION

ICD Utilities Limited

As at	December 31	
thousands of Bahamian dollars	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 1,287	\$ 37
Long-term investment (note 5)	46,223	41,370
Total assets	\$ 47,510	\$ 41,407
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7	\$ 9
Due to related party (note 7)	544	467
Dividends payable	1,200	–
Total current liabilities	1,751	476
Equity		
Common stock (note 6)	1,000	1,000
Additional paid in capital	40,250	40,250
Accumulated other comprehensive loss	(476)	(715)
Retained earnings	4,985	396
Total equity	45,759	40,931
Total liabilities and equity	\$ 47,510	\$ 41,407

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

Approved on behalf of the Board of Directors



Chris Huskilson
Director



Sarah MacDonald
Director

STATEMENTS OF CASH FLOWS

ICD Utilities Limited

	For the Year Ended December 31	
thousands of Bahamian dollars	2013	2012
Operating activities		
Net income (loss)	\$ 5,789	\$ (8,683)
Non-cash items:		
(Income) loss from equity investment, net of dividends	(5,864)	8,574
(Decrease) increase in accounts payable and accrued liabilities	(2)	1
Increase in amounts due to related parties	77	138
Net cash provided by operating activities	–	30
Investing activities		
Dividends received	1,250	–
Net cash provided by investing activities	1,250	–
Net increase in cash	1,250	30
Cash and cash equivalents, beginning of year	37	7
Cash and cash equivalents, end of year	\$ 1,287	\$ 37

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

STATEMENTS OF CHANGES IN EQUITY

ICD Utilities Limited

For the Year Ended December 31

thousands of Bahamian dollars	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Compre- hensive Loss ("AOCL")	Total Equity
2013					
Balance, December 31, 2012	\$ 1,000	\$ 40,250	\$ 396	\$ (715)	\$ 40,931
Net income	-	-	5,789	-	5,789
Share of other comprehensive income of investment accounted for under the equity method	-	-	-	239	239
Dividends declared on common shares (\$0.12/share)	-	-	(1,200)	-	(1,200)
Balance, December 31, 2013	\$ 1,000	\$ 40,250	\$ 4,985	\$ (476)	\$ 45,759
2012					
Balance, December 31, 2011	\$ 1,000	\$ 40,250	\$ 9,079	\$ (716)	\$ 49,613
Net loss	-	-	(8,683)	-	(8,683)
Share of other comprehensive income of investment accounted for under the equity method	-	-	-	1	1
Balance, December 31, 2012	\$ 1,000	\$ 40,250	\$ 396	\$ (715)	\$ 40,931

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

NOTES TO THE FINANCIAL STATEMENTS

ICD Utilities Limited
As at December 31, 2013 and 2012

1. General Information

ICD Utilities Limited ("ICDU" or "the Company"), was incorporated under the laws of the Commonwealth of The Bahamas on April 15, 1993, for the purpose of holding a 50 per cent interest in Grand Bahama Power Company Limited ("GBPC"), formerly Freeport Power Company Limited. The shares were transferred from a related company on April 30, 1993.

The financial statements for the year ended December 31, 2013, were authorized for issue in accordance with a resolution of the directors on March 18, 2014. The registered office of the Company is Suite 1; Chancery House; The Mall, P.O. Box F-40437, Freeport, Grand Bahama, The Bahamas.

In September 2008, Emera Inc. ("Emera") purchased a 50 per cent interest in ICDU and in December 2010, through one of its subsidiaries, Emera Caribbean Limited, purchased the remaining 50 per cent interest in GBPC and an additional 10.7 per cent interest in ICDU.

On January 17, 2013, GBPC and the Grand Bahama Port Authority ("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 per cent. Every three years, commencing in January 2016, base rates will be reviewed and set by the GBPA.

2. Summary of Significant Accounting Policies

A. BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with applicable International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and expressed in Bahamian dollars.

The financial statements of the Company have been prepared on a historical cost basis.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Significant estimates are included in the assessment of the Company's long-term investment, as discussed in Note 2F below. Actual results could differ from these estimates.

B. GOING CONCERN

These financial statements have been prepared on a going concern basis and in accordance with applicable IFRS. The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

C. ECONOMIC DEPENDENCE

ICDU is economically dependent on net income of GBPC for its continued existence and ability to carry out its normal activities, as 100 per cent (2012 – 100 per cent) of ICDU's equity income is derived from its investment in GBPC.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position are comprised of cash at banks, and cash held in trust at financial institutions.

E. FOREIGN CURRENCY TRANSACTIONS

These financial statements are expressed in Bahamian dollars, which is the Company's functional and presentation currency. Monetary assets and liabilities denominated in currencies other than the Bahamian dollar are translated into Bahamian dollars at the rate of exchange in effect at the reporting date. Income and expenses transacted in currencies other than Bahamian dollars are translated into Bahamian dollars at the rates of exchange prevailing at the transaction dates.

F. LONG-TERM INVESTMENT

The Company accounts for its long-term investment using the equity method of accounting, as the Company determined it maintains significant influence over the investment, but not control. The amount is adjusted annually for the Company's pro-rata share of the net earnings or losses of the investment and reduced by the amount of dividends received.

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the "Equity income (loss)" in the Statements of Comprehensive Income.

G. INCOME TAXES

The Company is a Bahamian corporation and, accordingly, is not subject to income taxes.

3. Change in Accounting Policies and Practices

IFRS 12 Disclosure of Interests in Other Entities

ICDU applied IFRS 12 Disclosure of Interests in Other Entities, which resulted in additional disclosures in the financial statements.

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 to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on ICDU's financial position or results of operations.

IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements

IFRS 10 replaces the portion of IAS 17 – Consolidated and Separate Financial Statements – that addresses the accounting for consolidated financial statements. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by the parent, compared with the requirements that were in IAS 27.

IFRS 11 replaces IAS 31 – Interests in Joint Ventures – and SIC 13 – Jointly controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, joint arrangements that meet the definition of a joint venture must be accounted for using the equity method. Otherwise, joint arrangements are classified as joint operations and are accounted for by recognizing the Company's share of the arrangement's assets and liabilities.

The adoption of these standards did not change the Company's conclusion that it exercises significant influence over the investee rather than control or joint control. As a result, there was no impact to the Company's financial position or performance.

4. Future Accounting Pronouncements

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued in 2010, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013. In November 2013, Chapter 6 of IFRS 9 on hedge accounting was published. At the same time, Chapter 7, containing the effective date and transition provisions, was amended to remove the mandatory effective date of IFRS 9. This was intended to provide sufficient time for preparers to make the transition to the new requirements. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

In subsequent phases, the IASB is addressing impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard, including all phases, is issued.

5. Long-Term Investment

This investment represents a 50 per cent interest in 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 as at December 31 is as follows:

thousands of Bahamian dollars	2013	2012
Opening balance	\$ 41,370	\$ 49,943
Equity income (loss)	5,864	(8,574)
Other comprehensive income	239	1
Dividends on common shares	(1,250)	–
Closing balance	\$ 46,223	\$ 41,370

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

thousands of Bahamian dollars	2013	2012
Balance sheet data		
Current assets	\$ 44,930	\$ 50,331
Other assets	201,707	198,324
Goodwill	51,763	51,763
Total assets	\$ 298,400	\$ 300,418
Current liabilities	\$ 64,947	\$ 80,936
Long-term liabilities	107,150	136,742
Total liabilities	\$ 172,097	\$217,678
Preferred stock	\$ 33,857	–
Net assets	\$ 92,446	\$ 82,740
ICDU's investment	\$ 46,223	\$ 41,370
Income statement data		
Operating revenues	\$ 115,169	\$ 120,352
Operating expenses	(95,503)	(113,054)
Income from operations	19,666	7,298
Loss on disposal of assets	–	(22,878)
Other expenses, net	(6,650)	(1,569)
Net income (loss)	13,016	(17,149)
Preferred dividends	(1,240)	–
Net income attributable to common shareholders	11,776	(17,149)
Other comprehensive income	475	1
ICDU's share of net income attributable to common shareholders	5,888	(8,574)
ICDU's other income	(24)	–
ICDU's equity income (loss)	\$ 5,864	\$ (8,574)

GROUP INFORMATION

ICDU is indirectly controlled, through Emera Caribbean Limited, by Emera Inc. which is the ultimate parent of the group. Emera Inc. is based in Halifax, Nova Scotia, Canada and its common and preferred shares are listed on the Toronto Stock Exchange.

ICDU has a 50 per cent interest in Grand Bahama Power Company Limited (2012 – 50 per cent).

6. Common Stock

Authorized and issued: 10,000,000 common shares with a par value of \$0.10 each.

On incorporation, the authorized share capital was \$10,000, consisting of 10,000 ordinary shares with a par value of \$1.00 each. On this date, two ordinary shares with a par value of \$1.00 each were issued and outstanding.

On April 16, 1996, the authorized share capital was increased to \$1,000,000 consisting of 10,000,000 common shares with a par value of \$0.10 each. On the same date, 5,000,000 ordinary shares were issued to each of the shareholders of the Company, for a total of 10,000,000 common shares. The increase in the issued share capital was accounted for by a transfer from additional paid-in-capital.

7. Related Party Transactions

During the year, Emera paid operating expenses on behalf of the Company in the amount of \$77 thousand (2012 – \$467 thousand). This amount is measured at the exchange amount. There is no written agreement between the Company and Emera for the allocation of the above expenses; however, the ICDU Board of Directors has approved the above allocation.

As at December 31, the following related party balances were included in the balance sheets:

thousands of Bahamian dollars	2013	2012
Due to Emera Inc.	\$ 544	\$ 467

8. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net income for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. There are no potentially dilutive instruments outstanding that would affect earnings per share. The following table reconciles the computation of earnings per share for the year ended December 31:

thousands of Bahamian dollars	2013	2012
Total net income (loss)	\$ 5,789	\$ (8,683)
Weighted average number of shares	10,000	10,000
Earnings per common share	\$ 0.58	\$ (0.87)

9. Capital Management

Capital includes equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains sufficient capital to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2013 and December 31, 2012.

10. Comparative Figures

The Company classified Directors' fees previously recorded as "Operating and general" to "Directors' fees and annual report costs". The Company has also classified bank fees previously recorded as "Other" to "Operating and general". Prior year comparatives have been retrospectively reclassified with \$10 thousand increase in "Directors' fees and annual report costs" for Directors' fees and \$1 thousand increase in "Operating and general" for bank fees in the Statements of Comprehensive Income.

11. Subsequent Events

Subsequent events were reviewed up until March 18, 2014

SUPPLEMENTAL INFORMATION

ICD Utilities Limited
As at December 31, 2013 and 2012

The timing of recognition of certain regulated 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. GBPC reports under the United States Generally Accepted Accounting Principles framework, where guidance allows for the recognition of regulatory assets and liabilities.

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 Company's financial statements with a clear and complete understanding of GBPC's economic position, as a regulated entity we have provided a reconciliation of the balance sheets and statement of comprehensive income between IFRS and US GAAP.

IFRS Differences

The reconciliation of the December 31 statements of financial position of GBPC from IFRS to US GAAP is as follows:

As at December 31, 2013			
in thousands of Bahamian dollars	IFRS	Effect of US GAAP	US GAAP
Regulatory assets	–	\$ 34,341	\$ 34,341

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

For the year ended December 31, the effect on the Statements of Comprehensive Income is as follows:

As at December 31, 2013			
in thousands of Bahamian dollars	IFRS	Effect of US GAAP	US GAAP
Revenue			
Net income of GBPC	\$ 11,776	\$ 33	\$ 11,810
Equity income at ICDU's ownership %	\$ 5,888	\$ 17	\$ 5,905

As at December 31, 2012			
in thousands of Bahamian dollars	IFRS	Effect of US GAAP	US GAAP
Revenue			
Equity loss per GBPC	\$ (17,149)	\$ 21,052	\$ 3,903
Equity loss per ICDU	\$ (8,574)	\$ 10,526	\$ 1,952



MINUTES OF THE 2013 ANNUAL GENERAL MEETING

ICD Utilities Limited

Minutes of the Annual General Meeting of the Members of ICD Utilities Limited (the "Company") held at the Pelican Bay Hotel, Freeport, Grand Bahama Island, The Bahamas at 6:00 p.m. on Thursday, the 19th day of December, 2013.

Call To Order

The Annual General Meeting of the Shareholders of the Company was called to order by Christopher G. Huskilson, Chairman of the Board of Directors of the Company, and who acted as Chairman of the meeting. The Chairman introduced Ms. Sarah R. MacDonald, President and a Director of the ICD Utilities Ltd. and President and Chief Executive Officer of Grand Bahama Power Company Limited. Stephen D. Aftanas, Secretary of the Company, kept minutes of the meeting.

The Chairman welcomed shareholders of the Company to the meeting and thanked those who could not attend but had submitted proxies. The Chairman then introduced the other Directors of the Company, namely: Sir Albert J. Miller and Brenford A.V. Christie.

Appointment of Scrutineer

The Chairman appointed Stafford Greene of Bahamas Central Securities Depository to act as Scrutineer of the meeting. He requested that the Secretary table the Certificate of the Company's Registrar and Transfer Agent, Bahamas Central Securities Depository, as to the due mailing of the notice and accompanying materials for the meeting. He directed that a copy of the notice and accompanying materials be kept by the Secretary as part of the record of the meeting.

The Chairman advised that a quorum of shareholders was present. He declared that notice had been duly provided and that the meeting was properly constituted for the transaction of business.

Confirmation of Minutes

The Chairman presented the minutes of the previous Annual General Meeting held on November 19, 2012 and advised they were available for inspection and noted that they were incorporated into the Annual Report, previously distributed to shareholders.

On motion duly made, seconded and unanimously carried, the minutes were approved as presented.

President's Report

The Chairman asked Ms. Sarah R. MacDonald, President of the Company to provide her report.

Financial Statements and Reports of Auditors

The Chairman advised that a copy of the Financial Statements for the financial year ended December 31, 2012 had previously been distributed to each of the shareholders of the Company. He invited Mr. A. Barnard, of Ernst & Young LLP to present the Auditors' Report. Mr. A. Barnard presented the Auditors' Report dated April 29, 2013 and read the report to the shareholders. The text of the Auditors' Report is attached to these minutes.

On motion duly made, seconded and carried, it was unanimously:

RESOLVED THAT the financial statements of ICD Utilities Limited, as of the 31st of December 2012 and the Report of the Auditors thereon be accepted as presented to the meeting.

Election of Directors

The Chairman advised that it was in order to proceed with the election of Directors. The following individuals were nominated to serve as Directors of the Company to hold office until the next annual meeting of the shareholders, or until their successors are elected and that each Director who is not a salaried employee of Emera Inc., Grand Bahama Power Company Limited or their respective affiliates, receive remuneration of \$5,000 per annum for their services as a Director:

Brenford A.V. Christie **Sarah R. MacDonald**
Christopher G. Huskilson **Sir Albert J. Miller**

On motion duly made, seconded and carried, it was unanimously:

RESOLVED THAT the following persons are elected Directors of the Company for the ensuing year at the remuneration of \$5,000 for each Director who is not a salaried employee of Emera Inc., Grand Bahama Power Company Limited, or their respective affiliates:

Brenford A.V. Christie **Sarah R. MacDonald**
Christopher G. Huskilson **Sir Albert J. Miller**

Ratification of Directors' Acts

The Chairman then entertained a motion to ratify and confirm all acts, transactions and proceedings of the Directors and Officers of the Company for the financial year ended December 31, 2012.

On motion duly made, seconded and carried, it was unanimously:

RESOLVED THAT all acts, transactions and proceedings of Directors and Officers of the Company for the financial year ended December 31, 2012 are ratified and confirmed.

Appointment of Auditors

The Chairman entertained a motion that Ernst & Young LLP be appointed auditors of the Company to hold office until the next annual meeting of shareholders or until a successor is appointed and that the Directors be authorized to fix their remuneration.

On motion duly made, seconded and carried, it was unanimously:

RESOLVED THAT Ernst & Young LLP be appointed auditors of the Company to hold office until the next annual meeting of shareholders or until a successor is appointed and that the Directors be authorized to fix their remuneration.

Scrutineer's Report

The Chairman then requested the Scrutineer to read the Scrutineer's Report. The same read as follows:

Total shares represented at the meeting in person and by proxy were 7,753,668 shares being 77.54% of the issued and outstanding shares.

Termination

There being no further business, on motion duly made, seconded and carried, the Meeting was terminated.

The Chairman declared the meeting terminated and advised that the meeting would be opened to questions and comments from the shareholders. The Chairman, the President and Chief Executive Officer of the Company and the President and Chief Executive Officer of Grand Bahama Power Company Limited responded to questions on a variety of topics presented by the shareholders, including electricity sales growth projections; the dividend policy; and inquiries relating to alternative energy solutions.



Stephen D. Aftanas
 Corporate Secretary

COMMUNITY INVOLVEMENT 2013

Giving back to the communities where we live and work has always been an important part of GBPC's philosophy. In particular, we focus our giving in key areas including cultural events, educational initiatives, sports and wellness. In 2013, we were pleased to have been able to partner with so many worthwhile organizations that are committed to making a positive impact in our communities.



Grand Bahama Baseball Little League Association

GBPC was happy to support these young athletes by assisting with the purchase of all-star uniforms, medals and field lighting.

Junior Achievement Grand Bahama:

We provided financial support to this valuable program that offers youth the opportunity to learn about entrepreneurship. A number of our employees volunteered as advisors.

Technical Cadets

This after-school program is offered to all high school students in both public and private schools. The students are provided technical training in engineering science, electronics, engineering drawing and mechanical technology. GBPC was proud to have been able to sponsor this valuable program.

Eight Mile Rock High School

We were happy to help with the costs of constructing an AutoCad lab in the high school. The lab will provide students the opportunity to learn how to use this drafting program, which is an accepted standard world-wide.

The Beacon School

In 2013, we lent our support to the pottery program at the Beacon School. The educational facility is for children with special needs. We were pleased to help the school offer this artistic program.

40th Independence Anniversary Committee

We were pleased to offer sponsorship for the country's 40th anniversary celebrations. Our one time donation went towards the various culture and community events that the group conducted to celebrate the 40th anniversary.

- Cultural shows
- Building Decoration competitions
- An Ecumenical service
- Gala dinners
- Street Festivals



Grand Bahama Power Golden Eagles

We are pleased to sponsor this track & field club for youth in our community. The program is open to athletes aged 12 to 17 years.



Bahamas Primary Student of the Year Scholarship

In 2013, GBPC funded a scholarship program aimed at high achieving sixth graders in the community.

Falcon's Boys Club

The Falcon's Boys Club provides programs for young men in our community who may be at-risk. We were please to sponsor this program in 2013.

Cancer Association of Grand Bahama

GBPC was proud to offer a financial contribution to this worthy cause.



Special Olympics

The goal of this organization is to provide year round sports training and athletic competition for individuals with intellectual disabilities. GBPC offers support for weekly door-to-door bus transportation so the athletes in the community can train and compete year round. We are happy to be a part of this valuable organization.



Santa's Helper

During the Christmas season, we donated a variety of toys to the Santa's Helper organization. They distribute gifts to underprivileged children in the community.

Junkanoo Parade

This annual cultural festival attracts residents from across the Island each January. GBPC is proud to support this important community event each year. In 2013, we offered our support in the purchase of lighting and power for the Junkanoo Parade.

Reach Out Youth Ministry

We provided a donation to this program for at-risk youth in our community.

**ICD UTILITIES LIMITED
BOARD OF DIRECTORS**



Sir Albert Miller
President and CEO,
Modalena Company Ltd.,
Freeport, Grand Bahama



Christopher Huskison
President and CEO,
Emera Inc.,
Wellington, Nova Scotia



Brenford Christie
Partner,
McKinney, Bancroft
& Hughes,
Freeport, Grand Bahama



Sarah MacDonald
President and CEO,
Grand Bahama
Power Company, and
President,
ICD Utilities Limited,
Freeport, Grand Bahama

**GRAND BAHAMA POWER COMPANY
LEADERSHIP TEAM**



Paul Miller
Managing Director



Anthony Lopez
Vice President,
Administrative
Services and CFO



Whitney Heastie
Vice President,
Generation and
Engineering



Evis Missick
Vice President,
Human Resources



Sarah MacDonald
President and CEO

SHAREHOLDER INFORMATION

Corporate Secretary

Kathy-Ann Christian

Head Office

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P.O. Box F-40437
Freeport, Grand Bahama
Bahamas

Registered Office

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The Mall
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Freeport, Grand Bahama
Bahamas

Registrar and Transfer Agents

Bahamas Central Securities
Depository Limited
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Suite # 202,
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Nassau, New Providence
Bahamas

Auditors

Ernst & Young LLP
One Montague Place
3rd Floor
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Nassau, Bahamas

