



A N N U A L R E P O R T

2007

Light & Power Holdings Ltd. is an investment company with electricity being its core business. The Company has a wholly owned regulated electric utility, The Barbados Light & Power Company Ltd. which has been serving electricity customers in Barbados since 1911. Electricity service is available to the entire island community.

Two new ventures, intended to help Barbadian consumers, are the telecom projects. TeleBarbados and the Antilles Crossing Group, in which Light & Power Holdings has invested. These projects have increased international telecommunications capacity to Barbados by more than twenty times and helped reduce the cost of telecommunications service between Barbados and the rest of the world by more than fifty million dollars.

Sixty-one per cent of the shares in Light & Power Holdings Ltd., are held by approximately 2,700 Barbadian shareholders. The Common Shares of the Company are quoted on the Barbados Stock Exchange.

L&PH



directors' letter to the shareholders

While the Barbados economy expanded again in 2007, there are signs that the global economy is beginning to slow down. Light & Power Holdings continues to support the needs of the people of Barbados, and is also actively seeking ways to keep operating costs under control. As it has for the past 25 years, the Company's main subsidiary, The Barbados Light & Power Company Limited, continued to meet increases in demand for electricity and provided superior service for customers without an increase in the basic rate, a remarkable feat. Electricity prices in Barbados are the second lowest when compared with other islands in the Caribbean. Only in Trinidad & Tobago, where there is abundant and inexpensive natural gas, are electricity rates lower than in Barbados.

The Barbados Light & Power Company has worked hard and made efficiency gains with the aim of keeping customer electricity prices stable. It is worth noting that, over the years, the electricity prices, including fuel adjustment, have increased by much less than the increases in the retail price index. It is therefore very frustrating to see recent skyrocketing fuel costs negatively impacting customer bills by driving up fuel clause adjustments which are linked to changes in fuel oil prices.

In every area the utility has held the line on production and distribution costs. Almost all of the electricity is manufactured with generating plant that burns residual fuel in an efficient manner. The newest low speed generating plant installed at Spring Garden Power Station in 2005 has already saved Barbados some \$160 million in foreign exchange through December 2007.

During 2007, investment in electric utility property, plant and equipment increased to almost six hundred million dollars. In December, the Barbados Government reduced corporation taxes for all manufacturing companies, including The Barbados Light & Power Company. While this resulted in a reduction in deferred tax liabilities of twelve million dollars on the consolidated balance sheet and a corresponding one time increase in income on the consolidated statement of income, it had no impact on the cash flows of the company available for needed investment in plant, property and equipment.

In Barbados, where it is not possible to interconnect with other power systems, the utility's planning engineers cannot be complacent in the belief that when new capacity is needed new power plant will somehow be available just in time.

They know that when someone turns on a light or a television set, the electric system needs to have power generating capacity to satisfy this additional power requirement instantaneously on demand. Unlike telecommunications where a busy signal is the indicator of lack of capacity, the signal of the unavailability of electric capacity comes in the form of a blackout.

Construction costs and the cost of manufactured components common in electric utility infrastructure projects have increased significantly due to high global demand for commodities and manufactured goods, higher production and transportation costs, in part owing to high fuel prices, and a weakening of the U.S. dollar.

Large proposed transmission projects have undergone cost revisions, and distribution system equipment costs have been rising rapidly. In electricity generation, all technologies have experienced huge cost increases. As an example, the newest low speed generating plant at Spring Garden Power Station which was constructed for BDS\$140 million in 2005 would cost approximately fifty percent more for an identical plant, if ordered in 2008.

It is remarkable that, for many years, the electric utility has been able to add new plant and equipment without an increase in basic electricity rates. This has been possible because increases in electricity sales offset increases in operating costs. With increases in the cost of all inputs to producing electricity now escalating at a rate greatly exceeding increases in sales, we are confronting a different future.

For these reasons, the electric utility will find 2008 and beyond to be much more challenging than ever before.

Light & Power Holdings maintains its focus on improving the quality of life for individuals as well as the society at large. The new international telecom projects, TeleBarbados and the Antilles Crossing Group in which the Company invested, have

made a positive impact on telecommunications service and cost to all the consumers in Barbados.

Leadership in these telecom projects came from Light & Power Holdings' largest shareholder, Leucadia National Corporation. Leucadia's investment in these projects, with Light & Power Holdings' support, has created significant value for Barbados and considerable savings for customers.

For example, residential data customers have benefited from price reductions of about 30% representing savings of approximately \$9 million annually. Business long distance rates have declined by about 50% amounting to \$10 million annually to business customers. Business data prices have dropped 65% resulting in savings of \$23 million annually. Private line and professional services prices have also come down with savings in these areas amounting to about \$14 million annually. The market is growing and prices are continuing to come down.

A French business enterprise, Group Loret, based in Martinique, has also been building international telecom capacity in the Caribbean. Following discussions with Group Loret, it has been decided to combine the sub-sea fiber assets of the Antilles Crossing Group and Group Loret to form a joint venture, Global Caribbean Fiber. The primary business of Global Caribbean Fiber is the sale of telecommunication services to regional governments, carriers and other parties requiring large amounts of bandwidth.

Effective January 1, 2008, Leucadia and Light & Power Holdings together own forty percent of the shares in Global Caribbean Fiber through a newly formed entity Caribbean Fiber Holdings that is owned seventy-five percent by Leucadia and twenty-five percent by Light & Power Holdings.

Global Caribbean Fiber is serving a number of Eastern Caribbean islands including Martinique, Guadeloupe, St. Lucia and Barbados. An extension to St. Vincent, Grenada and Trinidad is currently under construction. Future expansions are planned north to Haiti and the Dominican Republic and south to Guyana, Suriname & French Guyana.

The Company continues to be interested in playing a pro-active role in helping to enhance the positive aspects of the Garrison and Bay Street neighbourhoods to demonstrate how all the elements of this unique heritage area can be improved for the common good.

For several years the sensitive restoration of the Old Eye Hospital and derelict Savoy Hotel property on Bay Street has been a project of interest to the Company. The desire is to help create a civic development with significant public view corridors and access to the beach and ocean. This project is currently being reviewed.

Since the last Annual Meeting of Shareholders in 2007 there have been some changes to the Board. We extend congratulations to Mr. Ian Carrington who was awarded a fellowship to pursue post graduate studies in Public Administration at Harvard University, and welcome Mr. Almroth Williams, Acting Director of the National Insurance Department, who was appointed as his alternate. We also welcomed Mr. Justin Wheeler, President of Leucadia's Asset Management Group who replaced Mr. H.E. 'Bud' Scruggs who resigned from Leucadia to take up a voluntary position with his church.

The Company's key objectives remain very clear. The focus is on continuing to provide superior customer service to meet increases in demand, to maintain a good working environment for exceptional employee performance and to earn a fair return on shareholder investment.

It is an honour for the Directors to serve. We thank customers, employees, and shareholders for their continued support as we look to the future with confidence.

On behalf of the Directors



On behalf of the Board of Directors
Light & Power Holdings Ltd.
February 28, 2008





blpc report on operations



2007 opened with the nation focused on preparations for hosting the World Cup Cricket final, which was successfully held at the newly rebuilt Kensington Oval. With the heightened activity leading up to this major sporting event, the Company recorded an increase in sales for the first half of the year of 5% and a new record peak demand of 162.4 megawatts. Sales continued to grow during the second half of the year, but at a much more modest rate, resulting in an overall sales increase for the year of 4.1%. It is anticipated that other projects presently under construction, including the Four Seasons Hotel, several large luxury condominiums, and a new Hall of Justice, will continue to provide the impetus for future growth.

Oil Prices Soar

As the year progressed, international fuel prices soared and new record highs were set month after month, with the price hovering around US\$100 per barrel at year-end. While fuel prices have more than doubled since 2004, the average Fuel Clause Adjustment has increased by only 35%. The Company's investment in modern generating plant capable of operating on the least expensive, low grade, residual fuel oil helped to moderate the increases in electricity prices through this period. About 90% of the electricity produced during 2007 was generated on

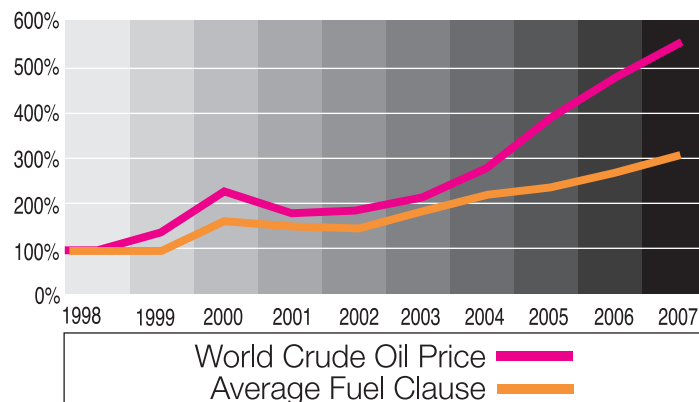
residual fuel, and the two new 30 MW low speed diesels that were installed in 2005 at a cost of Bds\$140 million have already saved the country and our customers over Bds\$160 million.

However, the Company's efforts to moderate the effects of fuel prices was of little comfort to our customers as the Fuel Clause Adjustment continued to climb, reaching a record high of 26.0279 cents per kilowatt-hour in November, 2007.

In response, and in a general effort to control the high cost of living, the Government of Barbados introduced a subsidy on heavy fuel oil used in electricity production for residential customers in order to maintain the Fuel Clause Adjustment at the October 2007 level. This measure was approved by the regulator, the Fair Trading Commission, and implemented by the Company in December.

Seeking Alternatives to Oil

While our immediate future is tied to oil and the vagaries of oil prices, the Company recognizes the need to diversify the electricity supply away from this single source. During the past several years, much effort and investment have gone into pursuing other sources of energy to meet the growing demand for electricity.



10 Year Oil Prices & Fuel Clause Adjustment (1998 - 2007)

Early in the year, the Company held public “Open House” sessions to provide an opportunity for discussion on the 10 MW wind farm, which the Company proposes to construct at Lamberts, St. Lucy. The Company now awaits a response from the Town & Country Development Planning Office to its application for the wind farm. The Company has also started detailed discussions with the Cane Industry Restructuring Project for the supply of electricity into the grid from a proposed cogeneration plant which would utilize bagasse from the new sugar and ethanol processing facility that the Government proposes to commission at Bulkeley, St. George.

While both of the foregoing projects are important, neither would be sufficient to replace the significant quantity of oil that is used in electricity production. The Company was therefore very pleased when the Governments of Barbados and Trinidad & Tobago gave their blessing to the proposed undersea natural gas pipeline from Tobago to Barbados and work was able to proceed on the more detailed studies required for the financing and construction of this multi-million dollar project. The project, being undertaken by the Eastern Caribbean Gas Pipeline Company, is a complex one with many hurdles to overcome, but offers significant economic and environmental benefits to

Barbados and electricity customers.

Energy Efficiency

Energy is a major cost to the economy, and the Company has been vigorous in its promotion of energy efficiency amongst all of its customers. In this regard, the Company conducted energy audits of several large hotels and made recommendations on the potential for energy savings. The Company's philosophy has long been that for it to be successful, its customers must be efficient in energy use, especially in the tourism business which is highly competitive in the Caribbean.

In its own operations, the Company's technical losses from the transmission and distribution of electricity, which for 2007 were about 6%, are among the lowest in the Caribbean and comparable to levels in well run utilities in Europe and North America.

A Tradition of Customer Service

The Company has long been committed to continuously improving its service to customers. As the demand for electricity grows, and older plant and equipment nears the end of their economic and technical life, the Company is planning for new facilities to ensure that it can continue to meet the needs of its customers.

“ ... the Company recorded an increase in sales for the first half of the year of 5% and a new record peak demand of 162.4 megawatts ”

Land was purchased for a new generating site at Trents, St. Lucy and the necessary planning permission was obtained after completion of a thorough Environmental Impact Assessment. Given progress on the project to import natural gas, and the increasing viability of this as an option over expensive oil, the Company has issued a request for tenders for a new 20,000 kilowatt gas turbine which will be used for intermediate and peaking duty in the short term. Should natural gas be imported, this unit will be ideally suited to operation on gas.

Work is also well advanced on the installation of new underground cables to connect the new generating station at Trents to the grid, as well as to interconnect the distribution substations located along the route. During 2007, ABB High Voltage Cables of Karlskrona, Sweden completed the installation of underground high voltage cables along Highway 2A from the electrical substation near St. Thomas Parish Church to North Substation at Maynards, St. Peter at a cost of approximately Bds\$37 million. These new underground transmission cables are designed to operate at 132,000 volts, but could be connected at 24,000 volts initially, until the full capacity is required. During 2008 ABB is expected to commence work on the connection between Maynards and Trents in time for the commissioning of the new generating unit at Trents in 2009. Significant work has also taken place with the completion of civil works for substation upgrades at St. Thomas and North substations and the installation of new indoor 24,000 volt and 11,000 volt switchgear to replace older outdoor switchgear at these locations.

With the ever present threat of storms and hurricanes, the Company installed ducts in and around the Bridgetown area

for underground high voltage transmission cables. The major projects include circuits between the Garrison and Belmont substations and Belmont and Marhill Street substations, as well as along Fontabelle.

The Royal Bank of Canada has provided financing for a portion of this expansion through a Bds\$25 million loan.

Information Technology - Driving Future Opportunities

Rapid advances in information technology are driving tremendous changes in our society. The Company has embarked on a number of initiatives to provide enhanced customer service and improve reliability through the deployment of modern IT systems.

Perhaps the most significant project is the planned implementation of a new Customer Care & Billing system which is being supplied by SPL, a division of ORACLE, a large international software supplier. Months of design and testing have already been carried out and training is underway for launch of the new system in 2008.

The Company has been a leader in the use of Information Technology for its Distribution SCADA (Supervisory Control and Data Acquisition) system, which was installed in 1984 and has been upgraded with more modern technology on a number of occasions since. The Company is now installing a modern fiber optic network to provide a faster and more secure communication network with the electrical substations located throughout the island and to provide enhanced system control and protection. The Company will also be considering other advanced computerized technologies, including

advanced metering systems which would allow remote reading of meters at customer premises.

As our dependence on information systems increases, there is an increased need for disaster recovery and better computer security. The Company has therefore established an off-site backup for its Information Systems operations which would allow quick recovery in the event of failure at its main location.

In the event of a disaster

We are thankful that another hurricane season has passed without major event, and pray that we will continue to be spared the ravages of hurricanes. Hurricane Janet, which struck the island over 50 years ago in September 1955, was the last major hurricane to affect Barbados. Nonetheless, the potential for major loss is always present and the Company's Self Insurance Fund continues to be strengthened in the event a major storm does strike. Towards the end of 2007 we engaged a risk consultant to review the fund and make recommendations to ensure the continued security and solvency of the fund.

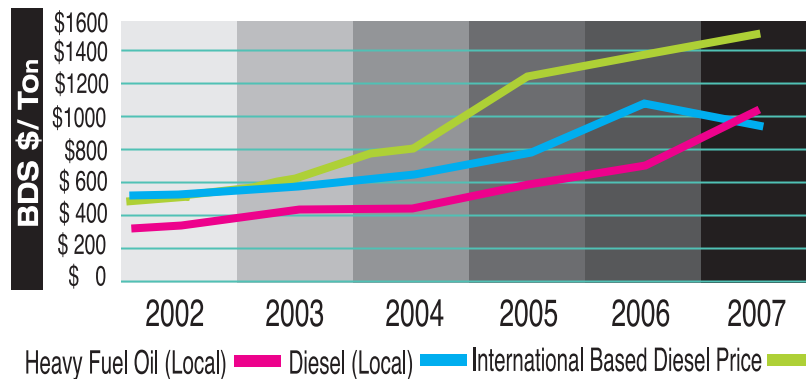
On the regional front, Hurricane Dean

lashed Dominica and Jamaica and also affected other islands. Over the years, the Company's linemen have participated in several regional hurricane recovery efforts, and stood ready to assist again, but help was not required on this occasion.

Self Generation - A Growing Concern

Of continued concern is self-generation by manufacturing customers who benefit from heavily subsidized diesel fuel. Indeed, by November 2007 the controlled price of diesel was below that of heavy fuel oil on the local market. As shown in the following chart, this is a substantial price distortion, as the international price of diesel is approximately 60% higher than heavy oil.

The Company uses very little diesel fuel in its operations, and has invested millions in efficient plant capable of operating on low grade heavy fuel oil. This diesel pricing policy has the unintended effect of undermining this investment, causing uneconomic substitution by customers operating small generating units on diesel fuel, and increasing the overall cost of fuel imports to the island. The Company believes that support to the manufacturing sector should be structured in other ways.



Heavy Fuel Oil and Diesel Prices 2002-2007

Preparations for a Rate Review

Surveys conducted by the Caribbean Association of Electric Utilities (CARILEC) have placed electricity rates in Barbados amongst the lowest in the Caribbean, and while high international oil prices have affected the Fuel Clause Adjustment, there has been no increase in the basic price of electricity since 1983.

For the past few years the Company has come under increasing pressure as the cost of inputs, such as copper and aluminium, commodities required for the manufacture of transformers, overhead conductors and other items used in the generation and distribution of electricity have risen to record highs. In addition, existing residential rates are below cost of service, and rates for commercial customers are above cost. Some twenty manufacturers presently generate their own electricity, encouraged in large part by the subsidy on diesel fuel, but also because of the present rate structure. If this situation is allowed to continue it could be detrimental to the remaining customers who would bear the cost of maintaining the electricity plant and distribution network.

During 2007, the Company engaged Christensen Associates Energy Consulting, a consulting firm with extensive experience in utility rate making to assist in a comprehensive review of the existing rates and rate structures. It is anticipated that an application will be submitted to the Fair Trading Commission in 2008 for a review of the existing rates. The objective is to develop an approach that will give consumers efficient price signals about the true cost of electricity service and encourage energy efficiency, whilst providing the Company with sufficient revenue to operate and expand a reliable system.

The needs of low-income earners for a minimum amount of affordable electricity will also be taken into account in this exercise. Altogether, this is a significant undertaking and will take several months to complete.

At the same time we strive to maintain a high level of service to all our customers. The Fair Trading Commission issued its report on the Company's performance after the first full year since the implementation of the Service Standards. The Commission noted that compliance was high, and opportunities for compensation under the standards were few.

Our People - Our Strength

We recognize that our success depends on our ability to attract and retain talented individuals, recognize their contribution and provide the environment in which they can be productive.

The team working on the Health, Safety, Environment & Quality (HSEQ) management system has made significant progress and continues to put in long hours to achieve its objective and communicate the importance of the new quality management system to all of its colleagues throughout the Company.

Our Environmental Health & Safety Officer worked closely with Government's Coastal Zone Management Unit and the Environmental Protection Department to coordinate reuse of old generator engine blocks, each weighing several tons, as moorings, instead of disposing of them at the dump.

Daily, our distribution teams travel hundreds of miles to various work sites across the island. They do so safely and courteously as they manoeuvre their large vehicles in and out of the heavy traffic that they meet on our roads.

Electricity cannot be readily stored and is delivered to our customers a fraction of a second after it has been produced. Our SCADA and generating plant operators are concerned every time the lights go out and work to resolve the problems that cause supply interruptions. Ensuring that all systems work in a coordinated manner requires a great deal of teamwork and their efforts have resulted in 2007 being one of the best years on record for system reliability.

We continue to build relationships with major stakeholders, and members of our team worked with the Government Electrical Engineering Department to present seminars and training sessions for the many electricians and electrical contractors to keep them informed of current standards and practices for electrical installations.

The Company also recognizes the importance of its partnership with the Union in fostering good labour relations and the need for a responsible union with the strength to play a wider role in society. In this regard, we were pleased that after several months of strong, but respectful negotiations we were able to reach agreement with the Barbados Workers' Union for a new three year agreement for employees in the operations area of the Company.

Many of our employees are also pursuing various diploma, degree and masters programmes. During the past five years, some 40 employees have successfully completed studies in areas such as electrical and mechanical engineering, business, accountancy, finance, human resource management, electrical power systems and a wide range of other subjects relevant to the Company's operations. We are also proud that our employees have taken leadership roles in their communities, churches, professional organizations and sports clubs. They are ambassadors for the Company.

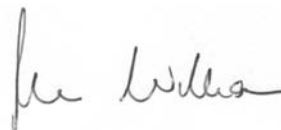
The Company continues to support and sponsor wholesome activities in our community to help our continued development as a nation. Perhaps the most meaningful contribution during the year was the donation of a specialized refrigeration unit for storage of blood at the Queen Elizabeth Hospital blood collection unit. Our relationship with the Blood Unit goes back almost 20 years and this donation was made possible through the generosity of many of our employees who are blood donors, supported by a matching contribution from the Company.

We were also very proud of our in-house steelband 'Reddy Panners', which reached the final of the National Independence Festival for the Creative Arts (NIFCA) and earned a Silver Award. This is one of several activities that the Company, together with its Employee Relations Council, encourages to foster excellent relationships amongst all members of staff.

Management Team

Mr. Hartley Richards, Manager Corporate Services, retired on March 30, 2007 after 25 years with The Barbados Light & Power Company Limited. The Board of Directors wishes to place on record its appreciation for his leadership and dedicated service.

Thank you to all members of our team for their hard work during 2007 and their continued support.



Peter W.B. Williams
Managing Director
The Barbados Light & Power Co. Ltd.
February 28, 2008

The Barbados Light & Power Co. Ltd.

Simplified Financial Statement

How each electricity customer dollar was spent in **2007**



Senior Management

Managing Director

- Peter Williams

Chief Operating Officer

- Mark King

Chief Financial Officer

- Hutson Best

Senior Manager, Distribution

- Keith Richards

Senior Manager, Generation

- Hallam Edwards

Chief Marketing Officer

- Stephen Worme

Information Systems Manager

- Sandra Franklyn

Human Resources Manager

- Wayne Yearwood

Customer Services Manager

- Hallam Hunte

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Light & Power Holdings Ltd.

PricewaterhouseCoopers

The Financial Services Centre
Bishop's Court Hill
P.O. Box 111
St. Michael BB14004
Barbados, W.I.
Telephone (246) 436-7000
Facsimile (246) 436-1275

We have audited the accompanying consolidated financial statements of Light & Power Holdings Ltd. ("the company") and its subsidiaries (together "the Group") which comprise the consolidated balance sheet as of December 31, 2007, and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 16-39.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



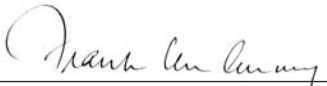
Chartered Accountants
Bridgetown, Barbados
March 31, 2008

Consolidated Balance Sheet

As of December 31, 2007 (expressed in Barbados dollars)

	Notes	2007 \$000's	2006 \$000's
Assets			
Non-current assets			
Property, plant and equipment	5	592,291	567,785
Investment in associates	6	14,170	15,965
Financial investments	7	79,818	70,863
Other assets	8	615	220
		<hr/>	<hr/>
		686,894	654,833
Current assets			
Cash resources	9	59,907	39,994
Trade and other receivables	10	56,632	39,378
Corporation tax recoverable		82	102
Inventories	11	34,308	30,093
		<hr/>	<hr/>
		150,929	109,567
Total assets		<hr/>	<hr/>
		837,823	764,400
Equity			
Share capital	12	119,074	119,433
Other reserves	13	207,939	200,310
Retained earnings		252,373	208,359
		<hr/>	<hr/>
		579,386	528,102
Non-current liabilities			
Borrowings	14	108,972	96,699
Customers' deposits	15	20,201	19,819
Deferred credits	16	42,537	45,439
Deferred tax liability	17	20,287	32,197
Provisions for other liabilities and charges	19	2,973	2,973
		<hr/>	<hr/>
		194,970	197,127
Current liabilities			
Trade and other payables	18	48,890	25,629
Provisions for other liabilities and charges	19	1,850	1,128
Current portion of borrowings	14	12,727	12,414
		<hr/>	<hr/>
		63,467	39,171
Total equity and liabilities		<hr/>	<hr/>
		837,823	764,400

Approved by the Board of Directors on February 28, 2008 and signed on its behalf by:


 Frank O. McConney - Director


 E. L. Greaves - Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2007 (expressed in Barbados dollars)

	Preference shares \$000's	Common shares \$000's	Revaluation surplus \$000's	Other reserves \$000's	Retained earnings \$000's	Total \$000's
Balance at December 31, 2005 as previously reported	500	89,340	154,636	109,522	195,520	549,518
Change to the cost model of accounting for property, plant and equipment	-	-	(154,636)	-	-	(154,636)
SIC 12 adjustment - re Self Insurance Fund	-	-	-	79,342	-	79,342
Balance at December 31, 2005 as restated	500	89,340	-	188,864	195,520	474,224
Dividends paid	-	-	-	-	(6,119)	(6,119)
Issue of common shares	-	29,652	-	-	-	29,652
Repurchase of common shares	-	(59)	-	-	-	(59)
Share issue costs (note 13)	-	-	-	(494)	-	(494)
Transfer to Self Insurance Fund	-	-	-	11,408	(11,408)	-
Change in fair value of financial investments	-	-	-	532	-	532
Net income for the year	-	-	-	-	30,366	30,366
Balance at December 31, 2006	500	118,933	-	200,310	208,359	528,102
Dividends paid	-	-	-	-	(7,001)	(7,001)
Issue of common shares	-	585	-	-	-	585
Repurchase of common shares	-	(944)	-	-	-	(944)
Transfer to Self Insurance Fund	-	-	-	7,335	(7,335)	-
Change in fair value of financial investments (note 7)	-	-	-	294	-	294
Net income for the year	-	-	-	-	58,350	58,350
Balance at December 31, 2007	500	118,574	-	207,939	252,373	579,386

Consolidated Statement of Income

For the year ended December 31, 2007 (expressed in Barbados dollars)

	Notes	2007 \$000's	2006 \$000's
Operating revenue	20	397,636	361,653
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Operating expenses			
Fuel		225,299	195,447
Generation		40,747	44,496
General		38,460	36,148
Distribution		12,470	12,585
Depreciation		33,660	37,630
Foreign exchange loss/(gain)		9	(111)
		<hr/>	<hr/>
		350,645	326,195
<hr/>			
Operating income		46,991	35,458
Finance income	21	4,962	5,028
Interest and finance charges		(6,323)	(6,808)
Share of loss of associated companies	6	(2,195)	(2,800)
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Income before taxation		43,435	30,878
Taxation credit (expense)	17	14,915	(512)
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Net income for the year		58,350	30,366
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Basic and diluted earnings per share (cents)	24	314.7	174.3
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Consolidated Statement of Cash Flows

For the year ended December 31, 2007 (expressed in Barbados dollars)

	2007 \$000's	2006 \$000's
Cash flows from operating activities		
Income before taxation	43,435	30,878
Adjustments for non-cash items:		
Share of loss of associated companies	2,195	2,800
Depreciation	33,660	37,630
Loss/(gain) on foreign exchange	9	(111)
Gain on disposal of property, plant and equipment	(146)	(5)
Finance income	(4,962)	(5,028)
Interest expense	6,323	6,808
Net change in provisions for other liabilities and charges	722	(3,010)
Deferred finance charges	(396)	29
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Operating income before working capital changes	80,840	69,991
Increase in trade and other receivables	(17,254)	(5,865)
(Increase)/decrease in inventories	(4,215)	883
Increase in trade and other payables	23,261	1,092
	<hr/>	<hr/>
Cash generated from operations	82,632	66,101
Interest paid	(6,087)	(6,716)
Corporation tax recovered/(paid)	20	(45)
	<hr/>	<hr/>
Net cash from operating activities	76,565	59,340
	<hr/>	<hr/>
Cash flows (used in)/from investing activities		
Additions to property, plant and equipment	(64,196)	(62,476)
Purchase of financial investments	(8,743)	(8,700)
(Increase)/decrease in fixed term deposits and restricted cash	(8,270)	9,688
Investment in associates	(400)	(18,765)
Proceeds on disposal of property, plant and equipment	187	10
Interest received	4,903	4,344
	<hr/>	<hr/>
Net cash used in investing activities	(76,519)	(75,899)
	<hr/>	<hr/>
Cash flows from/(used in) financing activities		
Share issue costs	-	(494)
Repurchase of common shares	(944)	(59)
Issue of common shares	585	29,652
Dividends paid	(7,001)	(6,119)
Proceeds from borrowings	25,000	-
Repayments of borrowings	(12,414)	(13,842)
Customers' contributions	5,989	3,248
Customers' deposits	382	2,173
	<hr/>	<hr/>
Net cash from financing activities	11,597	14,559
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	11,643	(2,000)
Cash and cash equivalents - beginning of year	26,135	28,135
	<hr/>	<hr/>
Cash and cash equivalents - end of year (note 9)	37,778	26,135
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements

December 31, 2007

1 General information

Light & Power Holdings Ltd. ("the Company") was incorporated on October 9, 1997 under the Companies Act, Chapter 308 of the Laws of Barbados and is listed on the Barbados Stock Exchange. The principal activities of the Company and its subsidiaries (including special purpose entities) ("the Group") include the generation, distribution and supply of electricity, the provision of telecommunication services and the operation of a self insurance fund to manage certain of the Group's insurance risks.

The registered office of the Company is located at Garrison Hill, St. Michael.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention, as modified by the revaluation of available-for-sale financial investments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

a) Standards, interpretations and amendments to published standards effective in financial year 2007

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group in the current financial year. The Group has assessed the relevance of all such new standards, amendments and interpretations and has concluded that only IFRS 7- Financial Instruments: Disclosures, and the complementary amendment to IAS1 - Presentation of financial statements - Capital disclosure will have any impact on the Group's financial statements. The 2006 comparative figures have been amended as required, in accordance with the relevant requirements.

- IFRS 7 - 'Financial instruments: Disclosures' and the complimentary amendment to IAS 1, 'Presentation of financial statements - Capital disclosures', introduces new disclosures relating to financial assets and liabilities and does not have any impact on the classification and valuation of the Group's financial instruments, or the disclosures relating to taxation, trade and other payables.

b) Standards, interpretations and amendments to published standards effective in financial year 2007 but not relevant.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after January 1, 2007 but they are not relevant to the Group's operations:

- IFRS 4 - Insurance contracts
- IFRIC 7 - Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies
- IFRIC 8 - Scope of IFRS 2
- IFRIC 9 - Re-assessment of embedded derivatives
- IFRIC 10 - Interim Financial reporting and impairment

Notes to the Consolidated Financial Statements

c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after January 1, 2008 or later periods, but the Group has not early adopted them. Management is currently reviewing these for implementation.

- IAS 23 (Amendment), 'Borrowing costs' (effective January 1, 2009). This requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.
- IFRS 8, Operating segments. This new standard requires that segment information be presented on the same basis as that used for internal reporting purposes.

In addition the following have been issued but are not relevant to the Group's operations.

- IFRIC 12 - Service concession arrangements
- IFRIC 13 - Customer loyalty programmes
- IFRIC 14 - The limit on a defined benefit asset, minimum funding requirements

2.2 Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the parent company and its subsidiaries (including special purpose entities) ("the Group") as disclosed in Note 29. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions have been eliminated in full.

a) Subsidiary Companies

Subsidiary companies are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights and is able to exercise control over the operations.

Subsidiaries are fully consolidated from the date on which control is transferred and continue to be consolidated until the date that such control ceases. The purchase method of accounting is used to account for acquisition of subsidiaries. The cost of acquisition is measured at the fair value of shares issued, assets given up, or liabilities undertaken at the date of acquisition, plus costs directly attributable to the acquisition.

b) Associated Companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on the behalf of the associate.

Notes to the Consolidated Financial Statements

2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Barbados dollars which is also the Group's functional currency.

Transactions and balances

Foreign currency transactions are translated into Barbados currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group operates in one geographical segment.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and impairment losses. Cost represents expenditure that is directly attributable to the acquisition of the items and includes cost of materials, direct labour, supervision and engineering charges and interest incurred during construction which is directly attributable to the acquisition or construction of a qualifying asset.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Contributions received towards construction of electric plant are credited to the cost of work in progress or are shown as deferred credits in the case where construction has not yet started.

Interest cost on property, plant and equipment is capitalised and included in the appropriate capital asset account until the asset is made available for service. During the year, the Group capitalised interest of \$1.2 million (2006: \$0.9 million)

Land is not depreciated. No depreciation is provided on work-in-progress until the assets involved have been completed and are available for use. For financial reporting purposes depreciation on other property, plant and equipment is calculated by the straight line method using rates required to allocate the cost of the assets less salvage over their estimated service lives as follows:

Notes to the Consolidated Financial Statements

Generation equipment	2% - 5%
Transmission and Distribution	3% - 6%
Other	2% - 33%

When depreciable property, plant and equipment other than motor vehicles and property are retired, the gross book value less proceeds net of retiral expense is charged to accumulated depreciation. For material disposals of motor vehicles and property, the asset cost and accumulated depreciation are removed with any gain or loss credited or charged to current operations.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount. (Note 2.7)

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of income.

2.6 Financial investments

The Group has classified its financial investments as available-for-sale. Management determines the classification at initial recognition and reviews the designation at every reporting date. The classification depends on the purpose for which the financial investments are acquired.

Available-for-sale financial assets are intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. They are included in non-current assets unless management intends to dispose within 12 months. Available-for-sale financial assets are carried at fair value based on current bid prices on the market. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial investments are recognised directly in equity until the financial investment is sold, or otherwise disposed of, or until the financial investment is determined to be impaired at which time the cumulative gain or loss will be included in net income or loss for the period.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase and sell the asset. Cost of purchase includes transaction costs.

2.7 Impairment of non-financial assets

Assets that have an indefinite life, e.g. land, are not subject to amortisation and are reviewed for impairment annually.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Notes to the Consolidated Financial Statements

2.8 Cash and cash equivalents

These consist of cash held in hand and at bank, deposits held at call with banks and other short-term highly liquid investments with original maturities of three (3) months or less.

2.9 Trade receivables

Trade receivables are recognised initially at fair value less provision for discounts. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. In addition, a provision for discounts based on historical experience, is created in anticipation of accounts that will be settled prior to the scheduled due date. The amount of the provisions is recognised in the income statement. When a trade receivable is uncollectible it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of income.

2.10 Inventories

Inventories of fuel, materials and supplies are valued at cost, which is determined on an average cost basis. Engine spares are carried at cost less provision for obsolescence.

2.11 Share capital

Common shares are classified as equity. Redeemable preference shares are treated as equity because they cannot be converted by the holders thereof at any time nor is the Company mandatorily required to redeem them on a specific date.

Where the Company repurchases its own shares, the consideration paid is deducted from equity, until such shares are reissued or cancelled.

Incremental costs directly attributable to the issue of new shares are shown as a deduction from equity in accordance with IAS 32 and included in other reserves in the statement of changes in equity.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the net proceeds and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method.

2.13 Taxation

a) Deferred income tax

Taxation expense in the statement of income comprises current and deferred tax. Taxation expense is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the asset is realised or the liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which unused tax assets can be utilised.

Notes to the Consolidated Financial Statements

b) Investment tax credit

The tax credit from investment allowances associated with the acquisition of plant and equipment is being deferred and amortised to income over the useful lives of the respective assets. In the prior years, the Group amortised the tax credit to income over a period of 20 years. This change resulted to an adjustment to net income of \$2.8 million and a corresponding decrease in deferred investment tax credit.

c) Manufacturing tax credit

The tax credit from manufacturing allowances associated with the acquisition of plant and equipment is being deferred and amortised to income over the lives of the respective items of plant and equipment.

2.14 Customers' deposits

Commercial and all other customers except Barbadian residents categorised under the Domestic Service tariff are normally required to provide security for payment. However, Barbadian residents under this tariff may be asked to provide security if they are delinquent in paying their bills. The cash deposit is refunded with accumulated interest when the account is terminated or arrangements made to provide alternative security (e.g. a banker's guarantee).

Given the long term nature of the customer relationship, customer deposits are shown in the balance sheet as non-current liabilities (i.e. not likely to be repaid within twelve months of the balance sheet date). Interest accrues on deposits at 8% per annum.

2.15 Revenue recognition

Revenue comprises the value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

The Group records revenue, other than fuel clause revenue, as billed to its customers, net of value-added tax and discounts and does not recognise any unbilled portion which exists at the end of the accounting period. Fuel clause revenue is recognised on the basis of the amount actually recoverable for the accounting period. The unbilled revenue at year-end is not material.

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

Dividend income is recognised when the Group's right to receive payment is established.

2.16 Employee benefits

The Group operates a fully insured purchased annuity plan pension scheme. This scheme takes the form of a defined benefit scheme in that it defines the amount of pension benefit that an employee will receive upon retirement. Pension costs are accounted for on the basis of contributions payable in the year, as the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods. (Note 25)

2.17 Share purchase scheme

The employees of the subsidiary company, The Barbados Light & Power Company, have the option to receive their annual bonus in cash and or common shares of the parent company under General By-Law No.1, Section 12.1 of the parent company's Articles of Incorporation and General By-Laws. The shares are issued at 80% of market value. The 20% discount is recognised as an expense, which is included in employee benefits.

Notes to the Consolidated Financial Statements

2.18 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividend is declared by the directors.

2.19 Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control with the Group are also considered related parties.

2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

3 Financial risk management

3.1 Financial instruments

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

Financial assets of the Group include cash resources, trade receivables and available-for-sale financial investments initially measured at fair value.

Financial liabilities of the Group include borrowings, trade payables and customer deposits initially measured at fair value.

The accounting policies for financial assets and liabilities are set out in note 2 or the individual notes associated with each item.

3.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange, price risk and cash flow and interest rate risk), liquidity, credit and underinsurance risks. The Group's overall risk management policy is to minimise potential adverse effects on its' financial performance and to optimise shareholders' value within an acceptable level of risk.

The Group's exposure and approach to its key risks are as follows:

a) Market risk

I. Foreign currency risk

This is the potential adverse impact on the Group's earnings and economic value due to movements in exchange rates.

The Group is exposed to foreign exchange risk arising primarily from foreign currency borrowings and purchases of plant, equipment and spares from foreign suppliers.

All borrowings have been formally fixed to the United States dollar (US\$) to mitigate exposure to fluctuations in foreign currency exchange rates, since there is a fixed exchange rate between the Barbados dollar and

Notes to the Consolidated Financial Statements

United States dollar. Additionally, most foreign currency purchases are denominated in United States dollars. The Group has not entered into forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates.

II. Price risk

The Group is exposed to equity securities price risk because of financial investments held by the Group and classified on the consolidated balance sheet as available-for-sale. The Group is not exposed to commodity risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

III. Cash flow and fair value interest rate risk

Interest rate risk is the potential adverse impact on the earnings and economic value of the Group caused by movements in interest rates.

The Group's interest bearing assets expose it to cash flow interest rate risk. Interest margins may increase or decrease as a result of such changes, and may reduce or increase losses in the event that unexpected movements arise.

The Group's interest rate risk also arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's policy is to maintain its borrowings in fixed rate instruments thereby minimising cash flow interest rate risk. Exposure to fair value interest rate risk on its borrowings results from fluctuations in the fair value of borrowings in response to changes in market interest rates.

The Group's exposure to interest rates and the terms of borrowings are disclosed in notes 9 & 14.

b) Liquidity risk

Liquidity risk refers to the risk that the Group cannot generate adequate cash and cash equivalents to satisfy commitments as they become due.

Management monitors the Group's liquidity reserve (comprises undrawn borrowing facility (note 26) and cash and cash equivalents (note 9)) on the basis of expected cash flow and is of the view that the Group holds adequate cash and credit facilities to meet its short-term obligations.

The below table is an analyses of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances.

	Less than 1 year \$000's	Between 1 & 2 years \$000's	Between 2 & 5 years \$000's	Over 5 years \$000's
At December 31, 2007				
Borrowings	12,727	28,352	41,158	39,462
Trade and other payables	48,890	-	-	-
At December 31, 2006				
Borrowings	12,414	25,777	36,866	34,056
Trade and other payables	25,629	-	-	-

Notes to the Consolidated Financial Statements

c) Credit risk

Credit risk is the inherent risk that counterparties may experience business failure or otherwise avoid their contractual obligations.

The Group's financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of bank deposits and trade receivables. The Group's bank deposits are placed with highly rated financial institutions to limit its exposure. Credit risk with respect to trade receivables is substantially reduced due to the policies implemented by management. Deposits are required from commercial customers upon application for a new service and management performs periodic credit evaluations of its general customers' financial condition. Management does not believe significant credit risk exists at December 31, 2007.

d) Underinsurance risk

The subsidiary company, The Barbados Light & Power Company has established a "Self Insurance Fund" to set aside funds on an annual basis to mitigate this risk.

The Fund is periodically reviewed by a risk consultant who makes recommendations to ensure the continued security and solvency of the Fund.

3.3 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios at December 31, 2007 and 2006 were as follows:

	2007 \$000's	2006 \$000's
Total borrowings (note 14)	121,699	109,113
Less: cash and cash equivalent (note 9)	(37,778)	(26,135)
Net debt	83,921	82,978
Total equity	579,386	528,102
Total capital	663,307	611,080
Gearing ratio	13%	14%

Notes to the Consolidated Financial Statements

3.4 Fair value estimation

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no obligation to act and is best evidenced by a quoted market price, if one exists.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price.

The carrying values of trade payables and receivables less impairment provision are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on reported assets, liabilities, revenues and expenses.

Other than in the establishment of routine provisions against trade receivables, inventories and provisions for liabilities and other charges no significant estimates or judgements have been required in applying accounting policies which may have a material impact on the Group's reported assets, liabilities, revenues and expenses.

4.2 Critical judgements in applying the entity's accounting policies

Special Purpose Entity/(SPE) - Self Insurance Fund

The Group has established a special purpose entity (SPE) primarily for the purpose of building an insurance fund to cover risk against damage and consequential loss to transmission and distribution systems as a result of catastrophe as well as certain machinery breakdowns. In making a judgement that the Group controls the SPE, management considered that in substance the activities of the SPE are being conducted on behalf of the Group according to a specific business need so that the Group obtains benefits of the SPE's objectives. Additionally, because the Group has rights to all benefits of the SPE, it is therefore exposed to the risk incident to the activities of the SPE and in this case the SPE is consolidated.

Notes to the Consolidated Financial Statements

5 Property, plant and equipment

	Generation \$000s	Transmission & distribution \$000s	Other \$000s	Work in progress \$000s	Total \$000s
At December 31, 2005					
Cost	462,211	343,210	67,489	18,638	891,548
Accumulated depreciation	(201,623)	(112,672)	(31,053)	-	(345,348)
Net book amount	260,588	230,538	36,436	18,638	546,200
Year ended December 31, 2006					
Opening net book amount	260,588	230,538	36,436	18,638	546,200
Additions and transfers	3,360	16,464	2,734	36,671	59,229
Disposals	-	-	(14)	-	(14)
Depreciation charge	(15,948)	(19,211)	(2,471)	-	(37,630)
Closing net book amount	248,000	227,791	36,685	55,309	567,785
At December 31, 2006					
Cost	459,786	356,998	68,312	55,309	940,405
Accumulated Depreciation	(211,786)	(129,207)	(31,627)	-	(372,620)
Net book amount	248,000	227,791	36,685	55,309	567,785
Year ended December 31, 2007					
Opening net book amount	248,000	227,791	36,685	55,309	567,785
Additions and transfers	7,592	27,741	8,325	14,549	58,207
Disposals	-	-	(41)	-	(41)
Depreciation charge	(15,283)	(15,851)	(2,526)	-	(33,660)
Closing net book amount	240,309	239,681	42,443	69,858	592,291
At December 31, 2007					
Cost	461,684	382,427	76,203	69,858	990,172
Accumulated depreciation	(221,375)	(142,746)	(33,760)	-	(397,881)
Net book amount	240,309	239,681	42,443	69,858	592,291

Notes to the Consolidated Financial Statements

6 Investment in associates

	2007 \$000's	2006 \$000's
Balance - beginning of year	15,965	-
Investment in associates	400	18,765
Share of loss for year	(2,195)	(2,800)
Balance - end of year	<u>14,170</u>	<u>15,965</u>

The Group has a 100% ownership in LPH Telecom Limited, a telecommunications company incorporated in Barbados. LPH Telecom Limited has a 25% ownership in the companies listed in the table below and effectively the Group owns 25% of these companies.

The Group's share of the results of its principal associates and its share of the assets and liabilities are as follows:

Name	Assets \$000's	Liabilities \$000's	Revenues \$000's	Loss \$000's
2006				
Antilles Crossing International, LP	10,940	11,338	57	(398)
Tele (Barbados) Inc. via Antilles Crossing Holding Co. St. Lucia Ltd.	3,190	5,141	219	(1,870)
Antilles Crossing, LP via Antilles Crossing Int'l., LP	2,391	2,624	-	(96)
Antilles Crossing - St. Croix Inc.	1,454	1,802	-	(348)
Antilles Crossing (St. Lucia) Ltd. Via AC (Barbados) IBC, Inc	1,312	1,403	-	(88)
	<u>19,287</u>	<u>22,308</u>	<u>276</u>	<u>(2,800)</u>
2007				
Antilles Crossing International, LP	8,617	893	693	(183)
Tele (Barbados) Inc. via Antilles Crossing Holding Co. St. Lucia Ltd.	4,184	2,947	1,862	(1,546)
Antilles Crossing, LP via Antilles Crossing Int'l., LP	(2,851)	2,288	-	(122)
Antilles Crossing - St. Croix Inc.	1,391	236	-	(157)
Antilles Crossing (St. Lucia) Ltd. Via AC (Barbados) IBC, Inc	2,788	-	48	(187)
	<u>19,831</u>	<u>6,364</u>	<u>2,603</u>	<u>(2,195)</u>

7 Financial investments

	2007 \$000's	2006 \$000's
Balance at beginning of year	70,863	61,766
Additions	8,743	8,700
Unrealised foreign exchange loss	(82)	(135)
Change in fair value	294	532
	<u>79,818</u>	<u>70,863</u>

There were no disposals or impairment provisions for financial investments in 2007 or 2006.

Financial investments include the following:

	2007 \$000's	2006 \$000's
Listed securities		
US Common Shares	3,217	2,597
US Mutual funds	862	-
US Corporate Bonds, Debentures, Short & Medium term notes	59,529	54,429
US Government Bonds	16,210	13,837
	<u>79,818</u>	<u>70,863</u>

Notes to the Consolidated Financial Statements

These available-for-sale financial investments include assets held in trust on behalf of the Self Insurance Fund that are not available to the Group for use in its operations.

Financial investments are denominated in US dollars.

The maximum exposure to credit risk at the reporting date is the fair value of the debt securities classified as financial investments. None of the financial investments are either past due or impaired.

8 Other assets

	2007 \$000's	2006 \$000's
Deferred finance charges	604	208
Other	11	12
	615	220

Deferred finance charges associated with the financing of The Barbados Light & Power Company Limited's expansion programme are being amortised over the lives of the loans with which they are associated. Other deferred charges include the cost of work carried out for customers not yet billed.

9 Cash resources

	2007 \$000's	2006 \$000's
Cash in hand and at bank	15,745	11,562
Short term bank deposits	22,033	14,573
	37,778	26,135
Fixed term bank deposits - Self Insurance Fund	20,186	13,670
Cash at bank - Self Insurance Fund	1,943	189
	59,907	39,994

The interest rates on short-term bank deposits ranges between 4.85% and 6.50% (2006 - 4% and 5.75%) per annum. These deposits have an average maturity of 90 days.

The interest rates on the fixed term bank deposits ranges between 4% and 7.4% (2006 - 3% and 7.5%).

The cash and term deposits of the Self Insurance Fund are not available for use in the Group's operations.

Notes to the Consolidated Financial Statements

10 Trade and other receivables

	2007 \$000's	2006 \$000's
Trade receivables	39,031	28,279
Less provision for impairment and discounts	(380)	(300)
	<hr/>	<hr/>
Trade receivables, net	38,651	27,979
Other receivables	11,188	5,013
Prepayments	6,793	6,386
	<hr/>	<hr/>
	56,632	39,378
	<hr/>	<hr/>

The fair values of trade and other receivables equals their carrying values due to the short term nature of these assets.

The movement in the provision for impairment was as follows:

	2007 \$000's	2006 \$000's
Balance - beginning of year	300	260
Increase in provision - general	80	40
	<hr/>	<hr/>
Balance - end of year	380	300
	<hr/>	<hr/>

The increase in provision for impairment of receivables of \$0.08 million is included in general operating expenses in the statement of income. Direct write offs for impaired receivables to the statement of income were \$0.3 million (2006 - \$0.2 million).

11 Inventories

	2007 \$000's	2006 \$000's
Fuel	10,153	6,878
Materials and spares	21,716	18,489
Goods in transit	2,439	4,726
	<hr/>	<hr/>
	34,308	30,093
	<hr/>	<hr/>

The cost of inventories written down and recognised as an expense is included in operating expenses in the amount of \$1.1 million, (2006 - \$0.5 million).

Notes to the Consolidated Financial Statements

12 Share capital

Authorised

100,000 - 5.5% Cumulative preference shares

500,000 - 10% Cumulative redeemable preference shares

100,000,000 - Common shares

10 - Class A redeemable preference shares

Issued

	2007 \$000's	2006 \$000's
100,000 - 5.5% Cumulative preference shares	500	500
17,412,611 (2006 - 17,447,157) Common shares of no par value	118,574	118,933
	<u>119,074</u>	<u>119,433</u>

	2007 No.	2006 No.
Common Shares		
Shares outstanding beginning of year	17,447,157	14,488,457
Repurchased during the year	(89,974)	(5,646)
Issued during the year	55,428	2,964,346
Balance at end of year	<u>17,412,611</u>	<u>17,447,157</u>

The Directors of the Company have agreed to set aside 600,000 common shares to be issued to the employees of Light & Power Holdings Ltd. and the subsidiary company, The Barbados Light & Power Company Limited under General By-Law No 1, Section 12.1 of the Articles of Incorporation and General By-Law of the Company. In November 2007, 55,428 common shares at \$10.55 per share were issued under this Scheme. The Company also repurchased 89,974 shares (2006 - 5,646) at prices ranging from \$10.30 to \$10.55 per share (2006 - \$10.50), which were cancelled.

13 Other reserves

	2007 \$000's	2006 \$000's
i) Capital Reserve		
Balance - beginning and end of year	109,522	109,522
ii) Self Insurance Fund		
Balance - beginning of year	91,282	79,342
Transfer from retained earnings	7,335	11,408
Change in fair value of investments	294	532
Balance - end of year	<u>98,911</u>	<u>91,282</u>
iii) Share issue costs		
Balance - beginning and end of year	(494)	(494)
Total other reserves	<u>207,939</u>	<u>200,310</u>

Notes to the Consolidated Financial Statements

i) This represents an amount of retained earnings that was capitalised in the subsidiary company, The Barbados Light & Power Company Limited and is no longer available for distribution.

ii) Funds set aside by the subsidiary company, The Barbados Light & Power Company Limited to build an insurance reserve to cover risk against damage and consequential loss to its transmission and distribution system as a result of a catastrophe.

Under the Insurance Regulation 1998, the Self Insurance Fund shall only be utilized by the subsidiary company, The Barbados Light & Power Company Limited, for the purpose of replacing or reinstating the self insured assets which are damaged by catastrophe and compensating for any financial loss suffered as a result of such damage. Where the Fund is utilized for any other purpose any monies withdrawn shall be subject to corporation tax.

The total funds set aside plus investment income accrued less related expenses is consolidated with the group's accounts in accordance with IAS 27 - SIC 12.

iii) This represents the incremental costs directly attributable to the Offering of Rights issue in 2006. In accordance with IAS 32, these costs are shown as a deduction from equity.

14 Borrowings

	2007 \$000's	2006 \$000's
Royal Bank of Canada BDS \$25,000 7% repayable 2021	25,000	-
European Investment Bank - Protocol 11 US\$ 7,872 (2006 - US \$9,697) 6.23% repayable 2011	16,049	19,771
European Investment Bank - Protocol 111 US \$ 21,749 (2006 - US \$25,012) 4.27% repayable 2013	44,340	50,993
National Insurance Board - Debenture Stock Certificates (Total facility BDS \$20,000) 5% repayable 2020	20,000	20,000
First Caribbean International Bank (Cayman) Ltd US \$8,000 (2006 - US \$9,000) 5.98% repayable 2015	16,310	18,349
Total long term borrowings	121,699	109,113
Less current portion	(12,727)	(12,414)
Non-current portion	108,972	96,699

Notes to the Consolidated Financial Statements

The long-term loans, with the exception of the European Investment Bank loans, are secured under a Debenture Trust Deed, which creates a first and floating charge on the Company's property, present and future. The Debenture Trust Deed restricts the subsidiary company from issuing debentures ranking pari passu with the floating charge created, unless the Company can meet the earnings coverage ratio and the equity/debt ratio set out in the Trust Deed. The subsidiary company, The Barbados Light & Power Company Limited, may however issue a first security to manufacturers in respect of individual items of plant and machinery of up to 90% of the purchase price thereof and for a period not exceeding fifteen years. The financial ratios were met by the subsidiary company for 2007.

The European Investment Bank loans are guaranteed by the Government of Barbados.

The maturity of borrowings is as follows:

	2007 \$000's	2006 \$000's
Less than 1 year	12,727	12,414
Between 1 and 2 years	28,352	25,777
Between 2 and 5 years	41,158	36,866
Over 5 years	39,462	34,056
	<hr/>	<hr/>
Total	121,699	109,113
	<hr/>	<hr/>

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair values	
	2007 \$000's	2006 \$000's	2007 \$000's	2006 \$000's
Borrowings	108,972	96,699	106,970	89,590

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 7.00% (2006 - 7.40%).

15 Customers' deposits

Commercial and non-resident customers are required to pay security deposits for energy connections that are refundable when service is no longer required. Interest accrues on these deposits at a rate of 8% per annum (2006 - 8% p.a.).

	2007 \$000's	2006 \$000's
Balance - beginning of year	19,819	17,646
New deposits	1,800	1,773
Deposits refunded	(2,711)	(885)
Net interest	1,293	1,285
	<hr/>	<hr/>
Balance - end of year	20,201	19,819
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements

16	Deferred credits	2007 \$000's	2006 \$000's
	Accumulated investment tax credit	27,957	32,240
	Accumulated manufacturing tax credit	13,692	12,412
	Customer contributions for work not yet started	888	787
		42,537	45,439
17	Taxation		
	a) Corporation tax expense		
		2007 \$000's	2006 \$000's
	Current tax	(2)	-
	Deferred tax charge/(credit)	969	(2,111)
	Deferred investment tax credit	(4,283)	138
	Deferred manufacturing tax credit	1,280	2,485
		(2,036)	512
	Deferred tax arising from change in tax rate in subsidiary	(12,879)	-
	Taxation (credit)/expense	(14,915)	512

The tax on income before taxation differs from the theoretical amount that would arise using the corporation tax rate of 25% for the following reasons:

	2007 \$000's	2006 \$000's
Income before taxation	43,435	30,878
Corporation tax at 25% (2006- 25%)	10,858	7,719
Effect of different tax rate in subsidiary 15% (2006 -25%)	(3,486)	-
Depreciation on assets not qualifying for capital allowances	74	97
Tourism development fund allowance	(21)	(34)
Environmental allowance	(7)	-
Tax loss of which no deferred tax asset is recognised	641	929
Income not subject to tax	(2,784)	(2,851)
Manufacturing allowance net of deferred portion	(1,657)	(2,611)
Investment tax credit net of deferred portion	(5,654)	(2,753)
Tax effect of the different tax rate on deferred tax liability	(12,879)	-
Over-provision of prior year's tax	-	16
	(14,915)	512

Notes to the Consolidated Financial Statements

b) Deferred tax liability

The net deferred tax liability is calculated in full on temporary differences under the liability method using a tax rate of 15% (2006 - 25%). The movement on the account is as follows:

	2007 \$000's	2006 \$000's
Balance - beginning of year	32,197	34,308
Transfer to the income statement - current year charge/(credit)	969	(2,111)
- adjustment for change in rate	(12,879)	-
	<hr/>	<hr/>
Balance - end of year	<u>20,287</u>	<u>32,197</u>

The deferred tax liability on the balance sheet consists of the following components:

	2007 \$000's	2006 \$000's
Accelerated tax depreciation	178,668	166,600
Taxed provisions	(12,435)	(11,214)
Unutilised tax losses	(30,984)	(26,596)
	<hr/>	<hr/>
	135,249	128,790
	<hr/>	<hr/>
Deferred tax liability at corporation tax rate of 15% (2006 - 25%)	<u>20,287</u>	<u>32,197</u>

The Group has a deferred tax asset of \$0.6 million arising from losses in the parent company (2006 - \$0.6 million) that has not been recognised due to the uncertainty of its recovery in future periods.

Accelerated tax depreciation and taxed provisions have no expiry dates. The expiry dates of the unutilised tax losses are disclosed in note 17 (c).

c) Tax losses

The Group has tax losses of \$33.3 million (2006 \$28.6 million) available to be carried forward and applied against future taxable income. The losses are as computed by the Group in its tax returns and have not been confirmed nor disputed by the Commissioner of Inland Revenue. The losses and their expiry dates are as follows:

Income Year	Amount \$000's	Expiry date
1999	28	2008
2000	15	2009
2001	11	2010
2002	9	2011
2003	9	2012
2004	13	2013
2005	7,582	2014
2006	20,912	2015
2007	4,755	2016
	<hr/>	
	<u>33,334</u>	

Notes to the Consolidated Financial Statements

18 Trade and other payables

	2007 \$000's	2006 \$000's
Trade payables	35,980	18,702
Accrued expenses	8,703	2,302
Other payables	4,207	4,625
	48,890	25,629

19 Provisions for other liabilities and charges

	Environmental restoration \$000's	Bonuses \$000's	Regulatory fees \$000's	Total \$000's
At beginning of year	2,973	584	544	4,101
Charged to income				
- Additional provisions	-	2,641	464	3,105
- Unused amounts reversed	-	-	(72)	(72)
Used during year	-	(1,835)	(476)	(2,311)
At end of year	2,973	1,390	460	4,823

	2007 \$000's	2006 \$000's
Analysis of total provisions		
Non-current (environmental restoration)	2,973	2,973
Current	1,850	1,128
	4,823	4,101

a) Environmental restoration

The subsidiary company, The Barbados Light & Power Company Limited commenced investigations to identify and assess potential remedial work to be done at the Garrison Generating Plant site which was tested for free hydrocarbons (mixture of diesel fuel and bunker C) in the subsurface. A provision is recognised for the present value of costs to be incurred for the recovery of the hydrocarbons and for restoration of the site.

b) Performance and other bonuses

The provision for profit-sharing is payable within three (3) months of finalisation of the audited financial statements. The provision for other bonuses is payable before December 31, 2008.

c) Regulatory fees

The subsidiary company, The Barbados Light & Power Company Limited, is regulated by the Fair Trading Commission (FTC) which determines amounts to be levied upon utility service providers annually. The Company is also currently involved in reviewing the rate structure which was fixed in 1983. The provision for regulatory fees represents the estimate for annual FTC fees as well as professional fees for consultants contracted to assist with the rate process.

Notes to the Consolidated Financial Statements

20 Segmental reporting

The revenue collection of the subsidiary company, The Barbados Light & Power Company, is organised into domestic, commercial, street lighting and miscellaneous revenue segments.

Costs and assets cannot be readily allocated to revenue segments, as common property, plant and equipment, other assets, labour and overheads are used to generate electricity for all revenue segments.

An analysis of revenue by business segment is detailed as follows:

	2007 \$000's	2006 \$000's
Business segments		
Domestic service	119,699	111,318
Commercial service	271,740	244,382
Street lights	4,396	4,109
Miscellaneous	1,801	1,844
	<hr/>	<hr/>
Total operating revenue	397,636	361,653
	<hr/>	<hr/>

21 Finance income

Finance income is comprised as follows

	2007 \$000's	2006 \$000's
Investment income - Self Insurance Fund	3,659	4,027
Interest income	1,303	1,001
	<hr/>	<hr/>
	4,962	5,028
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements

22	Expenses by nature	2007 \$000's	2006 \$000's
	Fuel	225,299	195,447
	Maintenance of plant	22,142	26,040
	Employee benefits (excluding amounts charged to capital projects)	39,133	38,501
	Depreciation	33,660	37,630
	Insurance	4,715	4,271
	Other expenses	25,696	24,306
	Total operating expenses	350,645	326,195
	Employee benefits comprise:		
		2007 \$000's	2006 \$000's
	Wages and salaries	38,152	38,057
	Social security costs	2,217	2,139
	Pension (note 25)	3,858	3,669
	Other benefits and share discount	1,194	1,408
		45,421	45,273
	Allocated as follows:		
	Operating expenses	39,133	38,501
	Capitalised	6,288	6,772
		45,421	45,273
	Average number of persons employed by the Group during the year	512	506
23	Related party transactions		
	Key management compensation	2007 \$000's	2006 \$000's
	Salaries & other short term benefits	3,072	3,267
	Directors' fees	89	97
	Pension	774	584
	Share discount	30	35
		3,965	3,983

Notes to the Consolidated Financial Statements

24 Earnings per share

The earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares in issue during the year.

	2007 \$000's	2006 \$000's
Net income for the year	58,350	30,366
Less: Loss/(income) from restricted funds (Self Insurance Fund)	(3,524)	(3,838)
	<hr/>	<hr/>
Profit attributable to equity holders of the Company	54,826	26,528
	<hr/>	<hr/>
Weighted average number of common shares	17,422,113	15,217,493
	<hr/>	<hr/>
Basic earnings per share (cents)	314.7	174.3
	<hr/>	<hr/>

The Company has no dilutive potential ordinary shares, therefore, diluted earnings per share is the same as basic earnings per share.

25 Retirement benefits

The Group operates a defined benefit pension plan for its employees. It pays a pension premium to fund the post employment benefit plan and will not have a legal or constructive obligation to either:

- a) pay the employee benefits directly when they fall due; or
- b) pay for the benefits if the insurer does not pay all future employee benefits relating to employee service in the current and prior periods.

In light of the above, and due to the fact that benefits due to employees would have been secured by the prior payment of premiums, and the insurer has sole responsibility for paying the benefits, the plan has been accounted for as if it were a defined contribution plan as allowed by IAS 19. Pension cost for the year was \$3.9 million (2006 - \$3.7 million)

26 Bank overdraft facilities

The subsidiary company, The Barbados Light & Power Company Limited, entered into an agreement with Royal Bank of Canada on September 28, 2007 to create a debenture for \$15,000,000. This was issued in accordance with the provisions of the Debenture Trust Deed (note 14) to secure overdraft facilities granted to the Company.

27 Capital commitments

The Group has budgeted capital expenditure of \$86.2 million for the 2008 income year of which \$30.0 million was contracted for at December 31, 2007.

28 Contingent liabilities

The Group is contingently liable in respect of various claims brought during the normal course of business. The amounts are considered negligible and are usually covered by insurance.

Notes to the Consolidated Financial Statements

29 Subsidiaries and associated companies

	Country of Incorporation	Equity %
Subsidiaries		
The Barbados Light & Power Company Limited (Generation, Supply & Distribution of Electricity)	Barbados	100%
LPH Telecom Ltd. (Telecommunications)	Barbados	100%
The Barbados Light & Power Company Limited Self Insurance Fund (Special Purpose Entity)	Barbados	100%
Associated Companies		
LPH Telecom Ltd. has investments in the below entities:		
Antilles Crossing International, LP	Delaware, USA	25%
Antilles Crossing - St. Croix Inc.	St. Croix - USVI	25%
Antilles Crossing LP via Antilles Crossing Int'l LP	Barbados	25%
Antilles Crossing (St. Lucia) via AC (Barbados) IBC, Inc.	St. Lucia	25%
TeleBarbados Inc. via Antilles Crossing Co. St. Lucia Ltd.	Barbados	25%



	2007 \$000's	2006 \$000's	2005 \$000's	2004 \$000's	2003 \$000's
Property plant and equipment	990,172	940,405	891,548	862,854	764,731
Less accumulated depreciation	(397,881)	(372,620)	(345,348)	(317,828)	(293,689)
Net fixed assets	592,291	567,785	546,200	545,026	471,042
Capital employed	763,020	714,065	673,515	649,262	571,428
Represented by:					
Long term debt (%)	15.9	15.3	18.3	20.7	16.8
Deferred credits (%)	8.1	10.7	11.3	11.3	14.8
Shareholders' equity	76.0	74.0	70.4	68.0	68.4
Total	100.0	100.0	100.0	100.0	100.0
Revenue and expenses					
Operating revenue	397,636	361,653	339,231	301,593	272,490
Expenses					
Fuel	(225,299)	(195,447)	(176,669)	(149,010)	(124,964)
Operating and maintenance	(91,677)	(93,229)	(77,366)	(73,696)	(65,326)
Depreciation	(33,660)	(37,630)	(39,574)	(30,692)	(32,229)
(Loss/gain) on exchange	(9)	111	(60)	(114)	(206)
Operating income	46,991	35,458	45,562	48,081	49,765
Investment income	4,962	5,028	3,235	1,344	693
Income before interest & taxation	51,953	40,486	48,797	49,425	50,458
Interest & finance charges	(6,323)	(6,808)	(7,067)	(3,756)	(3,892)
Share of loss of associated companies	(2,195)	(2,800)	-	-	-
Income before taxation	43,435	30,878	41,730	45,669	46,566
Taxation	14,915	(512)	(2,779)	7,292	(7,870)
Net income	58,350	30,366	38,951	52,961	38,696
Add/(deduct)					
Preference dividends	(27)	(27)	(27)	(27)	(27)
Common dividends	(6,974)	(6,092)	(5,791)	(5,784)	(5,773)
Transfer to Self Insurance reserve	(8,050)	(11,409)	(9,606)	(8,275)	(7,743)
Transfer from special reserve	-	-	-	7,368	51,346
Capitalisation of retained earnings	-	-	-	(109,522)	-
Reinvested earnings	43,299	12,838	23,527	(63,279)	76,500

of the subsidiary company The Barbados Light & Power Company Limited

	2007	2006	2005	2004	2003
GENERATING PLANT (Megawatts)					
Installed capacity					
Steam	40.0	40.0	40.0	40.0	40.0
Diesel	113.1	113.1	113.1	66.0	66.0
Gas turbine	86.0	86.0	86.0	103.5	103.5
TOTAL	239.1	239.1	239.1	209.5	209.5
PEAK DEMAND	162.4	157.0	154.2	143.0	141.6
GENERATION AND SALES (GWh)					
Gross Generation					
Steam	261.9	210.0	239.1	256.9	256.5
Diesel	663.4	706.5	568.3	369.3	361.8
Gas turbine	123.9	103.9	185.4	302.6	282.2
TOTAL	1,049.2	1,020.4	992.8	928.8	900.5
Net generation	1,002.9	976.4	953.4	896.4	867.6
Sales (GWh's)					
Domestic	300.0	294.8	293.7	275.7	267.9
Commercial	640.8	608.6	591.0	555.6	538.0
TOTAL	940.8	903.4	884.7	831.3	805.9
Load factor (%)	73.8	74.2	73.5	73.9	72.6
Losses (%)	5.9	7.2	6.9	7.0	6.8
NUMBER OF CUSTOMERS AT YEAR END					
Domestic	97,801	96,486	95,223	94,045	92,809
Commercial	18,857	17,775	16,520	15,443	14,423
TOTAL	116,658	114,261	111,743	109,488	107,232
No of Streetlights	27,846	27,308	26,666	25,962	25,417



Corporate Information

Company Registered Office, Garrison Hill, St. Michael.

Company Officers

F. O. McConney, G.C.M., Managing Director

H. B. Richards, Secretary

Registrar & Transfer Agent

The Barbados Central Securities Depository Inc.

Attorneys-at-Law

Clarke, Gittens & Farmer

Carrington & Sealy

Auditors

PricewaterhouseCoopers

Dividend Payments

The Board of Directors sets the record and payment dates for quarterly dividends.

At the first meeting for 2008 the Directors declared a dividend of 10 cents per share that will be paid in March 2008.

Projected record dates for the remainder of 2008 are May 30, August 29 and November 28.

Projected payment dates for dividends declared during the remainder of 2008 are June 13, September 12 and December 12.

Common Stock

The common stock of Light & Power Holdings Ltd. is listed and traded on the Barbados Stock Exchange Inc.

Board of Directors

I. M. Cumming, Chairman

I. St. C. Carrington / A. A. Williams (Alternate)

R. L. V. Edghill

Sir Henry Forde, K. A., Q.C.

A. A. Gittens

E. L. Greaves

F. O. McConney, G.C.M.

J. R. Wheeler

P. W. B. Williams