



PUBLIC UTILITIES COMMISSION

Financial Statements

For the year ended 31 March 2022



Public Utilities Commission

Financial Statements

For the year ended 31 March 2022

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Moore Belize LLP
New Horizon Building
3 ½ Miles Philip S. W. Goldson Hwy
Belize City, Belize
T +501 223 2144
T +501 223 2139
E r.magana@moore-belize.bz
www.moore-belize.bz

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS Public Utilities Commission

Report on the audit of financial statements

We have audited the financial statements of the **Public Utilities Commission (the Commission)**, which comprise the statement of financial position for the year ending 31 March 2022, the statement of activities, the statement of changes in net asset, the statement of cash flows for the year ended 31 March 2022 and the ended notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except of the possible effect of the matters describe in the basis for qualified opinion paragraph, the financial statement present fairly, in all material respects, the financial position of the Commission as at 31 March 2022, its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

Basis for disclaimer of opinion

Property, plant and equipment

The Commission was unable to furnish an updated fixed asset register listing of all the property, plant and equipment. We were unable to verify by alternative means the property, plant and equipment as at 31 March 2022, which is stated in the statement of financial position at BZD 632,939. In addition, we were unable to obtain assurance regarding depreciation expense for the year end 31 March 2022 as the Commission has not calculated the depreciation expense due to the lack of a fixed asset register. Consequently, we were unable to determine whether any adjustments are required to be made for the BZD 632,939 recorded as net fixed asset.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our disclaimer of opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- Obtain an understanding of internal control relevant to the audit 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 Institution's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Commission to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the Commission. We remain solely responsible for our audit opinion;

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Moore Belize LLP.

**Chartered Accountants
Belize City, Belize, C.A.
15 July 2025**

Public Utilities Commission
Statement of financial position
As at 31 March 2022
In Belize dollars

	Notes	31 Mar 2022	31 Mar 2021
Assets			
Non-current assets			
Property, plant and equipment	3.7, 4, 6	755,471	238,014
Other asset	8	10,150	10,150
Other investments	3.14	-	2,488,001
Total non-current assets		765,621	2,736,165
Current assets			
Cash and cash equivalents	3.8, 5	3,002,168	3,029,530
Accounts receivable and prepayments	3.9, 7	7,273,623	502,417
Total current assets		10,275,791	3,531,947
Total assets		11,041,412	6,268,112
Fund balances and liabilities			
Fund balance			
General fund		9,152,387	4,678,707
Total fund balance		9,152,387	4,678,707
Liabilities			
Non-current liabilities			
Severance payable	9	164,429	151,686
Total non-current liabilities		164,429	151,686
Current liabilities			
Accounts payable and accruals	3.10, 10	1,541,651	601,408
Lease liability	11	149,977	-
Current portion-severance payable	9	32,968	45,711
Judgment payable	3.11, 11 (2b)	-	790,600
Total current liabilities		1,724,596	1,437,719
Total liabilities		1,889,025	1,589,405
Total fund balances and liabilities		11,041,412	6,268,112

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

Approved for issue by the Commission on 15 July 2025.

Signature of Commissioner:



Signature of Chairman:



Print Name:

Carlos Keith

Print Name:

Dean Molina

Public Utilities Commission

Statement of activities and changes in General fund

For the year ended 31 March 2022

In Belize dollars

	Notes	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Revenues			
Fees on public utility providers	3.13, 3.16	12,842,742	5,880,968
Spectrum fees		7,190	429,126
Other revenues and support	12	274,464	35,884
Total revenue		13,124,396	6,345,978
Expenses			
General and administrative expenses	13	6,832,634	2,916,164
Salaries and wages		1,304,479	1,793,411
Interest expense		287,591	576,352
Depreciation		47,054	237,645
Total expenses		8,471,758	5,523,572
Surplus for the year		4,652,638	822,406
Retained earning adjustment		(178,958)	(55,145)
General fund, beginning of year		4,678,707	3,911,446
General fund, end of year		9,152,387	4,678,707

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

Public Utilities Commission
Statement of cash flows
For the year ended 31 March 2022
In Belize dollars

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Cash flows from operating activities		
Surplus for the year	4,652,638	822,404
Adjustments for non-cash Items:		
Prior year adjustment	(178,958)	(55,145)
Interest expense	92,389	576,352
Gain on assets disposal	-	(23,187)
Depreciation	47,054	237,647
Impairment of Investment	2,488,001	-
Surplus before working capital changes	7,101,124	1,558,071
Changes in working capital components:		
Accounts receivables and prepayments	(6,771,206)	366,660
Severance payable	-	19,395
Accounts payable and accruals	940,243	544,185
Judgement payable	(790,600)	-
Net cash provided by operating activities	479,561	2,488,311
Cash flows from investing activities		
Proceeds from sale of assets	-	30,000
Purchases of property and equipment	(394,925)	(143,681)
Purchases of other investments	-	(1,122,099)
Net cash used in investing activities	(394,925)	(1,235,780)
Cash flows from financing activities		
Payment of lease liability	(19,609)	-
Cash payment for the interest portion of lease liability	(92,389)	-
Net cash used in financing activities	(111,998)	-
Net change in cash and cash equivalents	(27,362)	1,252,531
Cash and cash equivalents, beginning of period	3,029,530	1,776,999
Cash and cash equivalents, end of period	3,002,168	3,029,530

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

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

1. General information

1.1 Status

The **Public Utilities Commission (the Commission or the PUC)** is an autonomous statutory corporation which was established in August 1999, and is governed by the provisions of the Public Utilities Commission ACT, Chapter 223 of the Laws of Belize, Revised Edition 2000 (the Act).

Function of the Commission

In accordance with Section 22(1) of the Act, it shall be the duty of the Commission to ensure that the services rendered by a public utility undertaking operated by a public utility provider are satisfactory and that the charges imposed in respect of those services are reasonable.

The Commission is empowered to:

- a. Enquire into the nature and extent of utility services and to determine and prescribe in accordance with the provisions of the Public Utilities Commission Act, the Electricity Act, the Telecommunications Act, and the Water and Sewerage Act, the standards which must be maintained in relation to such services; and;
- b. Determine and prescribe the rates which may be charged in respect of utility services.

The Commission's registered office in Belize is located at 2nd Floor, Marina Towers, New Town Barracks, Belize City, Belize, which is the main place of business of the Commission.

1.2 Governance

Section 4(1) of the Act provides for a seven-member Board of Commissioners, appointed by the Governor General, which includes a Chairman who is appointed by the Minister and has responsibility for the day-to-day administration of the affairs of the Commission.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs and the new Interpretation that are effective for the current year

The following standards and amendments have become effective for the annual periods commencing on or after 01 January 2021.

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2;
- Amendments to IFRS 16 - Covid-19-Related Rent Concessions.

Adoption of amendments and Interpretations stated above has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2.2 New and revised IFRSs in issue but not yet effective

The following standards and amendments will become effective for the annual periods beginning on or after 01 January 2021.

- Amendments to IFRS 16 - Covid-19-Related Rent Concessions;
- IFRS 17 - Insurance Contracts;

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current;
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use;
- Amendments to IFRS 3 - Reference to the Conceptual Framework;
- Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvements to IFRS Standards 2018–2020;
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture;
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies;
- Amendments to IAS 8 - Disclosure of Accounting Policies and Definition of Accounting Estimates;
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

3. Significant accounting policies

3.1 Statement of compliance

The financial statements are been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board IASB).

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value at the consideration given in exchange for assets.

3.3 Fund accounting

The General fund represents the operating fund of the Commission and accounts for the Commission's regulatory and administrative activities; this fund reports unrestricted resources.

3.4 Budgets and budgetary accounting

The Commission may submit its annual estimates of income and expenditures to the Minister of Finance in accordance with Section 39(1) of the Act. Expenditures of amounts other than provided for in the estimates must be approved by the Minister of Finance.

The Commission adopts its annual approval budget prepared in accordance with the basic accounting utilised by the General fund.

3.5 Basis of accounting

The modified accrual basis of accounting is used by the Commission. Under the modified accrual basis of accounting, certain revenues are recognised when available and measurable. Expenses are recorded when the related fund liability is incurred.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.6 Currency translation

(i) Functional and presentation currency

The financial statements are presented in Belize dollars (BZD), unless otherwise indicated. The Belize dollar is considered to be the functional currency as the majority of the Commission's transactions are denominated, measured, or funded in Belize dollars. All financial information presented in Belize dollars has been rounded to the nearest dollar.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Transactions in United States currency and balances at the balance sheet date have been converted at the rate of USD 1.00 to BZD 2.00. Currency translation gains and losses, if any, are reflected in the statement of activities.

3.7 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated in the statement of financial position at their historical cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent measurement

Subsequent costs are included in the asset's carrying amount 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 Commission and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of activities during the financial period in which they are incurred.

(iii) Depreciation

Depreciation is recognised to write-off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of activities.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost which approximates fair value.

3.9 Trade and other receivables

Trade receivables are past-due fees from Utility Providers. Trade receivables are financial assets stated initially at fair value which is taken to be their transaction cost and subsequently at their amortised cost less any loss allowance. Loss allowance is based on lifetime expected credit losses assess and determined at initial recognition and subsequently adjusted for any changes in estimates and assumptions. Trade receivables expected to be received in the next year are classified as current assets. If not, they are presented as non-current assets.

A receivable is recognised when the goods are delivered or dispatched based on delivery terms as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Contract assets are immaterial and therefore not presented separately in the financial statements.

3.10 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.11 Provisions

Provisions are recognised when the Commission has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the date of the statement of financial position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some of all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 Financial instruments

(i) Recognition and derecognition of financial instruments

Financial instruments, other than derivative financial instruments, are recognised on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.12 Financial instruments (continued)

(i) Recognition and derecognition of financial instruments (continued)

Financial assets that are regular way purchased or sold are recognised using the trade date accounting, i.e., when the Commission commits to purchase or sell.

Financial instruments that are not trade receivables are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value. Trade receivables are recognised at transaction cost, if they do not contain a significant financing element (IFRS 15).

Financial assets are derecognised when:

- The contractual rights to cash flows from the financial asset expire, or;
- The asset is transferred such that contractual rights to cash flows of the assets and the risks and rewards of ownership are transferred.

In factoring arrangements and guaranteed receivables, transfer may not result in de-recognition, because the Commission retains exposure to risks and rewards to some extent. The Commission assesses its extended involvement and recognises a liability, such that the net of asset and liability represents the rights and obligations retained, measured based on the classification of the original asset.

Financial liabilities (or a part of) are derecognised when, and only when the obligation is extinguished - i.e., when the obligation specified in the contract is discharged or cancelled or expires. The gain or loss between the carrying value and amount paid is recognised in profit or loss.

If the terms of an existing financial liability (loans and borrowings) are substantially modified this will be considered to meet the criteria for derecognition of the original liability, and a new financial liability is recognised.

(ii) Classification and subsequent measurement of financial assets

Measurement of financial assets depends on the classification, which is determined by the business model for holding the asset and characteristics of its cash flows.

(a) Amortised cost

Assets are held for the purpose of obtaining contractual cash flows, which are solely interest and principal, such as vanilla debt instruments, loans and receivables including contract assets. Interest is calculated using effective interest method and included in finance income in profit or loss. Impairment is presented in a separate line in profit or loss.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.12 Financial instruments (continued)

(ii) Classification and subsequent measurement of financial assets (continued)

(b) Fair value through other comprehensive income (FVOCI)

If in addition to above, if the business model also includes selling the assets, then these assets are measured at fair value with changes in fair value flowing through OCI. Interest income is calculated and presented as above. Impairment is included in profit or loss and reduces/ increases the fair value gain/ loss recognised in OCI reserve.

On derecognition, gains and losses are recycled to profit or loss and included in other gains/ losses.

(c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria above are measured as FVTPL with changes in fair value presented in other gains/ losses.

For equity investments that the Commission considers to be long term strategic investments, the Commission has taken the election in IFRS 9 to present the changes in fair value through other comprehensive income. Unlike ii) above however, on sale of investments, the cumulative OCI gain/ loss will be transferred within net assets and will not be recycled through profit or loss.

(iii) Classification and measurement of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities, which are measured at amortised cost. Financial liabilities are classified at fair value through profit or loss if they are either held for trading or they are otherwise designated within this classification. Gains and losses on such financial liabilities are recognised within other gains and losses in the statement of comprehensive income.

A financial liability is classified as held for trading if (a) it has been acquired principally for the purposes of subsequent short-term repurchase; (b) on initial recognition it is part of a portfolio of identified financial instruments which have a pattern of short-term profit taking; or (c) it is a derivative financial instrument that is not designated and effective as a hedging instrument.

A financial liability may otherwise be designated at fair value through profit or loss upon initial recognition if such designation eliminates or reduces significantly a measurement or recognition inconsistency that would otherwise arise; or (b) the financial liability forms part of a group of financial assets, financial liabilities or both, which is managed and its performance evaluated on a fair value basis as a part of the Commission's documented risk management and investment strategies; and (c) it forms part of a contract containing one or more embedded derivatives and the entire contract can be so designated in accordance with applicable financial reporting standards.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.12 Financial instruments (continued)

(iii) Classification and measurement of financial liabilities (continued)

Financial liabilities (continued)

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, within finance costs in the statement of comprehensive income.

The Commission derecognises financial liabilities when the obligations of the Commission are discharged, cancelled or have expired.

(iv) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Currently, the Commission does not offset financial assets and financial liabilities. The only relevant arrangement the Commission is subject to is a master netting arrangement.

(v) Impairment of financial assets

From 01 January 2018, under IFRS 9 the impairment is assessed in references to expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. A loss allowance is calculated based on expected credit losses from day one, but the impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables and contract assets have been determined to have the same risk profile and lifetime credit losses are calculated on the same basis.

For other financial instruments, we expect the loss to be calculated based on twelve (12) months expected credit losses unless there are indicators of significant increase in credit risk. as we have not noted any indicators that there has been a significant increase in credit risk.

In assessment of credit risk and expected losses, management considers a risk of default and its probability for each customers or category of customers. On an ongoing basis an increase in risk is considered through comparison of probability of default at point of assessment vs when was last estimated. Rebuttable presumption that overdue by over 30 days is an indicator of significant increase is benchmark used by Commission, with reviewing other indicators, such as:

- credit rating;
- significant adverse events impacting the customer or significant deterioration in results, particularly free cash flow, operating cash flows, current ratio, debtors days;

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.12 Financial instruments (continued)

(v) Impairment of financial assets (continued)

- increased frequency of missed payments or incorrect payments;
- difficulty in engaging and willingness to find a solution;

3.13 Revenue recognition

The Commission recognizes revenues in accordance with the provisions of International Financial Reporting Standards (IFRSs) 15-Revenue from Contract with Customers.

The Commission has applied the following practical expedients permitted under IFRS 15:

- The Commission does not adjust the consideration for the effects of a significant financing component where the period between transfer of goods or services and customer payment is one year or less.
- The Commission does not disclose information about remaining performance obligations for contracts with an original duration of one year or less, or where revenue is recognised over time as the service is consumed.
- Incremental costs of obtaining a contract are expensed when incurred if the amortisation period of the asset would otherwise be one year or less.

Revenue is measured at the fair value of consideration received or receivable and is presented net of returns and discounts.

The Commission's sources of revenues include the following:

- a. Fees on public utility providers;
- b. Spectrum fees;
- c. Other license fees;
- d. Interest income

Fees on public utility providers, spectrum fees, other license fees

The Commission applies a fee structure in respect of charges on Public Utility Providers based on the provisions and regulations contained in the Electricity Act, the Telecommunications Act, and the Water and Sewerage Act.

Annual license fees paid by Public Utility Providers are based on 1.5% of their gross revenues and are recognised on an accrual basis as services are rendered, effective 01 April 2021, in accordance with IFRS 15. Amounts billed but not yet received are recorded as accounts receivable. (Also refer to Note 3.16)

Previously, revenue was recognised upon receipt (cash basis). Effective 01 April 2021, the Commission adopted the accrual basis under IFRS 15, recognising revenue over time as services are rendered.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.13 Revenue recognition (continued)

Fees on public utility providers, spectrum fees, other license fees (continued)

Amounts recorded as Accounts Receivable represent fees due from Public Utility Providers for prior periods that were not previously recognised due to lack of available or measurable information at the time. These receivables have since been confirmed and recognised when reliable measurement became possible.

Interest income

Interest income is recognised using the effective interest method on an accrual basis, in accordance with IFRS 9.

3.14 Other investment

Land held by the PUC for future use is classified as Investment until placed into use. Investment is recorded in the accounts at the full transaction prices.

The Commission entered into a purchase agreement with Bou-Nahra for an investment property, but the agreement was later cancelled on 23 August 2021. As result, the investment property was derecognized from the Statement of Financial Position. No gain or loss was recognised and there were no cash flow associated with the cancellation. See 26 Commitments and contingencies for further details.

3.15 Severance

The Commission recognizes termination benefits in accordance with the Labour Act, Chapter 297 of the Laws of Belize, Revised edition 2011, Section 183.

The Labour Act was revised in April 2011 to require that employees who have been employed for (a) five to ten years be paid severance pay of one week's pay for each year of service upon termination of employment and, (b) employee with more than ten years of services, upon termination or resignation, be paid severance pay of one week's pay for each year of service prior to April 2011, and two week's pay for each completed year of services after April 2011.

The Commission's policy gives employees who have more than 5 years of employment with the Company the option to cash in on their accrued benefits.

3.16 Change in Accounting Policy – Revenue Recognition on Fees from Public Utility Providers, Spectrum Fees, and Other License Fees

During the year, the Commission changed its revenue recognition policy from a cash basis to an accrual basis in order to more accurately reflect the transfer of services in accordance with IFRS 15 – Revenue from Contracts with Customers.

Under the previous policy, revenue was recognized upon receipt of cash. Under the revised policy, revenue is recognised when control of goods or services is transferred to the customer, irrespective of the timing of payment.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

3. Significant accounting policies (continued)

3.16 Change in Accounting Policy – Revenue Recognition on Fees from Public Utility Providers, Spectrum Fees, and Other License Fees (continued)

This change constitutes a change in accounting policy as defined under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The adoption of the accrual basis results in earlier recognition of revenue and the recognition of trade receivables or contract assets in the statement of financial position. It also enhances comparability and more faithfully reflects the substance of the Commission's revenue-generating activities.

However, due to the lack of reliable historical data under the former system and the practical challenges of reconstructing complete accrual-based information for prior periods, retrospective application has been determined to be impracticable.

Accordingly, the Company has applied the change prospectively from 01 April 2021, the beginning of the current reporting period, as permitted under IAS 8.

Effect on current period financial statements

As a result of the change, the following line items in the current period financial statements were affected:

Affected line item	Increase / (Decrease)
Revenue	\$6,990,855
Trade receivables	\$6,990,855

No adjustment has been made to the comparative figures, which are presented on a cash basis consistent with the prior accounting policy.

4. Critical accounting estimates and judgements

4.1 Accounting estimates

The preparation of financial statements in conformity with IFRS requires Management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these are based on Management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

4. Critical accounting estimates and judgements (continued)

4.1 Accounting estimates (continued)

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

4.2 Useful lives of property, plant and equipment

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Description	Category
Furniture and fixtures	10 years
Equipment	10 years
Computer equipment	10 years
Motor vehicles	4 years

The useful lives of the assets are reviewed for any indication of significant change since the last annual reporting date.

4.3 Impairment of property, plant and equipment

At each reporting date, the Commission reviews the carrying amounts of its property, plant and equipment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Commission estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4.4 Initial recognition of related party transactions

In the normal course of business the Commission enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. Terms and conditions of related party balances are disclosed in Note 11.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

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4. Critical accounting estimates and judgements (continued)

4.5 Expected Credit Loss (ECL) measurement

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. The following components are a major impact on allowance for expected credit losses: definition of default, significant increase in credit risk, probability of default, exposure at default, and loss given default. The allowance for expected credit losses for trade receivables is determined using a provision matrix based on the number of days that an asset is past due. The effect of the adjustments for forward looking information from the methods of macro-economic scenarios do not have significant impact on ECL estimation because the performance obligations are generally short-term in nature.

5. Cash and cash equivalents

	31 Mar 2022	31 Mar 2021
Current Account - foreign currency (in BZD)	59,076	600,479
Current Account - local currency	2,943,092	2,429,051
	3,002,168	3,029,530

Public Utilities Commission

Notes to the financial statements

As at 31 March 2022

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6. Property, plant and equipment

31 March 2022	Motor vehicles	Equipment	Computers & fixtures	Furnitures & fixtures	Right of Use	Totals
Effects of changes in accounting policies:					169,586	169,586
Cost						
As at 01 April 2021	3,136,436	98,221	86,500	203,822	-	3,524,979
Additions	-	25,761	334,770	34,394	-	394,925
Disposals	-	-	-	-	-	-
	3,136,436	123,982	421,270	238,216	169,586	4,089,490
Accumulated depreciation						
As at 01 April 2021	(2,978,701)	(77,042)	(43,372)	(187,850)	-	(3,286,965)
Depreciation	-	-	-	-	(47,054)	(47,054)
Disposals	-	-	-	-	-	-
Balance, 31 March 2022	(2,978,701)	(77,042)	(43,372)	(187,850)	(47,054)	(3,334,019)
Net book value:						
As at 31 March 2022	157,735	46,940	377,898	50,366	122,532	755,471
As at 31 March 2021	157,735	21,179	43,128	15,972	-	238,014
31 March 2021	Motor vehicles	Equipment	Computers & fixtures	Furnitures & fixtures	Right of Use	Totals
Gross carrying amount						
As at 01 April 2020	3,122,817	98,221	71,557	197,709	-	3,490,304
Additions	122,625	-	14,943	6,113	-	143,681
Disposals	(109,006)	-	-	-	-	(109,006)
	3,136,436	98,221	86,500	203,822	-	3,524,979
Accumulated depreciation						
As at 01 April 2020	(2,882,104)	(68,391)	(33,549)	(167,467)	-	(3,151,511)
Depreciation	(198,790)	(8,651)	(9,823)	(20,383)	-	(237,647)
Disposals	102,193	-	-	-	-	102,193
Balance, 31 March 2021	(2,978,701)	(77,042)	(43,372)	(187,850)	-	(3,286,965)
Net book value:						
As at 31 March 2021	157,735	21,179	43,128	15,972	-	238,014

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

7. Accounts receivables and prepayments

	31 Mar 2022	31 Mar 2021
Accounts receivable - public utility provider	7,225,144	346,511
Employee advances	9,987	117,414
Prepayments	38,492	38,492
	7,273,623	502,417

8. Other asset

	31 Mar 2022	31 Mar 2021
Deposit	10,150	10,150
	10,150	10,150

This deposit serves as collateral for credit card held with Heritage Bank, securing a credit limit equal to the initial deposit amount. Interest is credited to the account based on the Bank's internal policy.

9. Severance payable

	31 Mar 2022	31 Mar 2021
Beginning balance	197,397	178,002
Addition	-	28,685
Payouts	-	(9,290)
	197,397	197,397
Current portion	(32,968)	(45,711)
	164,429	151,686

10. Accounts payable

	31 Mar 2022	31 Mar 2021
As at 31 March		
Financial liabilities		
Trade payable	-	261,685
Credit card	8,921	3,587
	8,921	265,272
Non-financial liabilities		
GOB development contribution	1,532,730	268,511
As at 31 March 2022	1,541,651	533,783

See Note 12 for further details regarding material change in the balance of trade payables during the reporting period.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

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10. Accounts payable (continued)

Credit cards

Credit Card facility in the amount of USD 1,000 with the Belize Bank Limited has an annual interest rate of 22%.

Credit Card Facility in the amount of BZD 10,000 with Heritage Bank Limited has an annual interest rate of 21%.

GOB Development Contribution

On 18 March 2017, the Government of Belize enacted legislation, "Statutory Bodies (Development Contribution) Act, 2017, which imposes a ten percent levy on the revenues of certain statutory bodies, known as a "development contribution".

The development contribution is payable by the Commission into the Consolidated Revenue Fund of the Government of Belize, on a quarterly basis.

As of the date of the financial statement, the Commission has not made any payments to the Government of Belize in accordance with Statutory Bodies Act, 2017.

11. Lease liability

	31 Mar 2022	31 Mar 2021
Lease liability		
As at 31 March	-	-
Effect of changes in accounting policies	-	-
As at 01 April	169,586	-
Interest expense	92,389	-
Lease payment modification	-	-
Cash payments	(112,000)	-
As at 31 March 2022	149,975	-

12. Other revenues and support

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Gain on assets disposal	-	23,187
Other income	274,464	12,697
Total	274,464	35,884

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

12. Other revenues and support (continued)

The significant increase in other income, amounting to BZD 261,685 arises from the write-off of old payables balances that were deemed uncollectible to respective vendors due to the lack of adequate audit documentation.

13. General and administrative expenses

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Derecognition of other investment (i)	2,488,001	-
Miscellaneous (ii)	898,549	266,531
Development Contribution-Gov't of Bze.	1,264,219	616,583
Professional fees	442,310	375,533
Repairs and maintenance	257,374	21,082
Gratuity	171,715	205,000
Training	156,545	33,398
Rent	131,131	131,175
Write off of receivable	112,955	-
Commissioner's expense	112,547	179,200
Bad debt	112,222	415,836
Promotion, publicity and advertising	96,641	47,007
Motor vehicle expenses	93,113	111,877
Insurance	95,840	97,467
Donations	77,849	31,596
Office expenses	52,763	34,197
Social security expense	50,183	50,568
Fuel and oil	44,985	43,875
Telephone and postage	37,179	28,659
Electricity and water	33,151	42,172
Security	34,126	68,189
Pension contribution	31,570	-
Uniforms	15,813	10,912
Other credit card payments	6,339	9,465
Travel	8,251	-
Contributions to Government of Belize	3,785	60,180
Dues and subscriptions	3,310	6,377
Commissioner's Meeting expense	168	-
Provision for severance	-	28,685
Conferences and workshops	-	600
Total	6,832,634	2,916,164

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

13. General and administrative expenses (continued)

The material increases in General and administrative expenses primarily relates to the following accounts Derecognition of Other Investment and Miscellaneous.

Derecognition of other investment

The Commission entered into a purchase agreement with Bou-Nahra for an investment property, but the agreement was later cancelled on 23 August 2021. As result, the other investment was derecognised from the Statement of Financial Position. No gain or loss was recognised and there were no cash flow associated with the cancellation. See Note 26 Commitments and contingencies for further details.

Bad debt write-off

The Chairman of Commission approved the write-off of old accounts receivable deemed uncollectible after an assessment was performed by the Finance Department.

14. Related parties

Key management of the Commission is the executive members of the Board of Commissioners and members of Management as defined under IAS 24 (Related Party Disclosure). The members of Board of Commissioners, General Manager, and Head of Departments Directors are considered related parties. Key management personnel remuneration includes the following expenses:

	31 Mar 2022	Year ended 31 Mar 2021
Short term employment benefits	415,159	90,600
Termination benefits	-	47,597
Total remuneration for employees	415,159	138,197
Director's allowance	112,547	179,200
Total remuneration for related party	527,706	317,397

15. Categories for financial instruments

Financial assets

	31 Mar 2022	Year ended 31 Mar 2021
Cash balances	3,002,168	3,029,530
Accounts receivable	7,273,623	502,417
Total financial assets	10,275,791	3,531,947

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

In Belize dollars

15. Categories for financial instruments

Financial liabilities

	31 Mar 2022	Year ended 31 Mar 2021
Accounts payable and accrued expense	8,921	(261,685)
Total financial liabilities	8,921	(261,685)

16. Financial risk management

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

- (i) Liquidity risk
- (ii) Credit risk
- (iii) Operational risk

Liquidity risk

The ultimate responsibility for liquidity risk rests with the Board of Commissioners. The Commission manages liquidity risk by continuously monitoring cash flows.

Liquidity analysis as at 31 March 2022:

	On demand	Due within 3 months	Due within 3 months-1	Due over 1 year	Total
Financial assets					
Cash balances	3,002,168	-	-	-	3,002,168
Accounts receivable	-	693	-	282,075	282,768
Total financial assets	3,002,168	693	-	282,075	3,284,936
Financial liabilities					
Accounts payable/accruals	8,921	-	-	-	8,921
Total financial liabilities	8,921	-	-	-	8,921
Liquidity (gap)/surplus	2,993,247	693	-	282,075	3,276,015

Public Utilities Commission

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For the year ended 31 March 2022

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16. Financial risk management (continued)

Liquidity risk (continued)

Liquidity analysis as at 31 March 2021:

	On demand	Due within 3 months	Due within 3 months-1	Due over 1 year	Total
Financial assets					
Cash balances	3,029,530	-	-	-	3,029,530
Accounts receivable	-	38,492	-	463,925	502,417
Total financial assets	3,029,530	38,492	-	463,925	3,531,947
Financial liabilities					
Accounts payable/accruals	-	-	-	(261,685)	(261,685)
Total financial liabilities	-	-	-	(261,685)	(261,685)
Liquidity (gap)/surplus	3,029,530	38,492	-	725,610	3,793,632

Credit risk

Potential material areas of credit risk consist of trade accounts receivable.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Commission. The Board of Commissioners and Senior Management continuously monitor the Commission's exposure to credit risk by ensuring investments are spread among several financial institutions and accounts are held with a reputable bank (see Note 5).

The Commission's maximum exposure to credit risk is represented by the carrying amount of financial assets recorded in the financial statements, net of any impairment losses.

Operational risk

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

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to Senior Management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;

Public Utilities Commission

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16. Financial risk management (continued)

Operational risk (continued)

- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- training and professional development; and
- ethical and business standards.

17. Commitments and contingencies

(1) Contracts

The Commission was a party to several contracts and other arrangements and was contingently liable for contracts which included the following:

Date	Contract number	Third party	Commitment	Paid	Cancel
5-Dec-19	n/a	Boutros Bou-Nahra Company Ltd. (BBC Ltd)	10,300,000	2,488,002	7,811,998

a) Boutros Bou-Nahra - Purchase of Building:

On 05 December 2019, Boutros Bou-Nahra Company Ltd. (BBCL) and the Commission signed a contract for the purpose of purchasing parcels Fort George/Pickstock 45-1087, 45-1121 and 45-1122. The seller received upon execution of the contract BZD 800,000 cash and Parcel 206, Block 45, Burdon canal being approx. 13.4 acres equivalent to BZD 1,000,000. The balance is payable within ten years of which the commission should make monthly payments of BZD 102,209 as per amortisation schedule.

When the seller is in receipt of the final or full payment or any other day as the parties may agree in writing then the seller shall procure the execution and delivery to the purchase there following documents: a) duly executed, signed and sealed documents transferring titles to the property to the purchaser or it's nominee, b) the original Certificates of Title to the Property, c) copies of the bio-data pages of the passport of each of the signatories for the sellers; d) certificate of good standing and certified list of directors of the purchaser; e) a resolution of the seller authorising the sale of the property; and f) all such other documents or instruments as may be reasonably required to effect the transfer of the property to the purchase or its nominee.

Public Utilities Commission

Notes to the financial statements

For the year ended 31 March 2022

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17. Commitments and contingencies (continued)

(1) Contracts (continued)

a) Boutros Bou-Nahra - Purchase of Building (continued):

In the event, the Purchaser shall fail to pay the Purchase Price or any instalment thereof when due or shall fail to fulfil any non-monetary obligation under this Agreement, and unless the period for so doing shall be extended by written agreement, the Seller shall have the right by written notice to the Purchaser to declare this Agreement null and void, in which case any right or interest hereby acquired by the Purchaser shall utterly cease and terminate, and the Seller shall be entered to retain and forfeit all monies (or land) paid as liquidated damages and the vendor shall be then entered to retain its rights and ownership over all the parcels in the First Schedule plus the PUC Block 45, Burdon Canal Parcel 206 that was part payment for cash. All rights of the Purchaser in respect of the Property derived hereunder shall immediately cease.

In the event that the Seller shall fail to, or is unwilling, or unable to procure and transfer good freehold tide to the Purchaser or its nominee free and clear of all liens or encumbrances for an estate in fee simple, or otherwise fail to perform any obligation under this Agreement, the Purchaser may in its sole discretion, without prejudice to any other right of action or remedy which it may have, rescind this Agreement, and the Purchaser shall be entered to a refund of all monies paid hereunder.

In addition to the provisions of this section, the Seller may allow a period of 30 days with time being of the essence, upon the Purchaser's agreement to pay a late fee of Forty Thousand Dollars (\$40,000.00) extra per 30 day period (or fraction thereof) added to the normal instalment then due for a maximum period of 90 consecutive days (and maximum late fee of (\$120,000.00) after which by written notice to the Purchaser the Seller may declare this Agreement null and void, in which case any right or interest hereby acquired by the Purchaser shall utterly cease and terminate, and the Seller shall be entitled to retain and forfeit all sums (plus late fees) as liquidated damages. All rights of the Purchaser in respect of the Property derived hereunder shall immediately cease. The late payment fee shall apply to each and every instance of timely non-payment.

Upon receipt of such Seller's notice contemplated by this section, it is understood and agreed that the Purchaser shall remove themselves or their agents or tenants/guests or other occupiers from the premises and any eviction costs, legal or otherwise, including loss of other sale and loss of usage may be added to the outstanding debt due from the Purchaser to the Seller.

Any Cautions the Purchaser may place or may have placed on any or all of the Property must be removed within 30 days to free up the Seller's marketability failing which Purchaser may be liable for any loss of other sale.

Cancelation of Boutros Bou-Nahra Company Ltd. (BBC Ltd) - Purchase of Building:

"BBC Ltd and the PUC agree that as of 23 August 2021, the effective date, each of the Parties to the Agreement shall be discharged from any further obligations thereunder and the Agreement shall be terminated as of the Effective Date, irrespective of whether or not any monetary or non-monetary terms of the Agreement have been complied with."

Public Utilities Commission

Notes to the financial statements

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17. Commitments and contingencies (continued)

(1) Contracts (continued)

Cancellation of Boutros Bou-Nahra Company Ltd. (BBC Ltd) - Purchase of Building (continued):

"In consideration of the PUC being wholly discharged from any further payment and other obligations under the Agreement and the release of the PUC by BBC Ltd. BBC Ltd shall retain (i) all rights, title, ownership and interest in the Property for an estate in fee simple absolute in possession, (ii) the Down Payment, and (iii) the Paid Instalments only made to BBC Ltd as of the Effective Date hereof (items (i), (ii) and (iii) together referred to as "the Settlement Payment"), the receipt of which BBC Ltd hereby acknowledges."

BBC Ltd shall release discharge and forever acquit the PUC as of the Effective Date from any and all property insurances as per clause 8 of the Agreement, claims, debts, demands, obligations, damages, liabilities, benefits, costs, actions, causes of action, suits, proceedings, whether known or unknown, of whatsoever kind and nature in law or in equity, BBC Ltd now has, has had or to date may have or but for the execution of this Deed could or might have had against the PUC, arising by virtue of or accruing from or relating to, in whole or in part, the Agreement or for or in respect of any matter or thing in anyway relating thereto."

The PUC hereby releases discharges and forever acquits BBC Ltd from any and all claims, debts, demands, obligations, damages, liabilities, benefits, costs, actions, causes of action, suits, proceedings, whether known or unknown, of whatsoever kind and nature in law or in equity, the PUC now has, has had or to date may have or but for the execution of this Deed could or might have had against BBC Ltd, arising by virtue of or accruing from or relating to, in whole or in part, the Agreement or for in respect of any matter or thing in anyway relating thereto."

(2) Legal matters

In the ordinary course of its activities, the Commission is subject to threatened legal actions and proceedings. Based on current knowledge and communication with legal counsel, the Commission is of the view that the outcome of the following litigation matters, which existed at 31 March 2021, would not have a material adverse effect on its financial position.

a) Supreme Court Claim No. 691 of 2011 – Consolidated Water Belize Limited v Public Utilities Commission AND Civil Appeal No.10 of 2018

Consolidated Water Belize Limited (Consolidated) commenced this claim on 28 October 2011 against the PUC. Consolidated sought certain declaratory orders against the PUC flowing from a complaint dated 10 September 2010 made by San Pedro Business Association against Belize Water Services Limited and Consolidated. The claim was heard before the Honourable Chief Justice who, on 29 November 2012, reserved the decision in the matter to a date to be notified by the Court. After a period of five (5) years, the Supreme Court delivered the decision on 08 December 2017. The Learned Chief Justice quashed the regulatory orders the PUC made against Consolidated on the grounds that the orders were unlawful, void and of no effect.

Public Utilities Commission

Notes to the financial statements

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17. Commitments and contingencies (continued)

(2) Legal matters (continued)

a) Supreme Court Claim No. 691 of 2011 – Consolidated Water Belize Limited v Public Utilities Commission AND Civil Appeal No.10 of 2018 (continued)

The PUC lodged Civil Appeal No. 10 of 2018 against the decision of the Honourable Chief Justice on 20 February 2018. The appeal was heard on 12 June 2020. On 26 October 2020, the Court of Appeal set aside the decision of the Chief Justice and awarded costs of the proceedings in the Supreme Court and Court of Appeals to the PUC.

As per the Commission internal legal counsel, the case has been concluded.

b) Supreme Court Claim No. 166 of 2017 – Speednet Communications Ltd. v Public Utilities Commission AND Civil Appeal No. 13 of 2018 – PUC v Speednet Communications Ltd.

The Claimant, Speednet Communication Ltd., applied to the Supreme Court on 05 June 2017 for judicial review of the decision of the PUC to charge Speednet the sum of \$1,440,000.00 as spectrum allocation license fees for the period of 2010 to 2016 “which the PUC has not issued”. Madam Justice Arana in her decision delivered on 02 March 2018 declared the sum of \$1,440,000.00 the PUC charged as spectrum license fees for the period 2010 to 2016 as unlawful and null and void. The Learned Judge also granted a permanent injunction against the PUC restraining it from seeking to collect the license fees.

The PUC lodged Civil Appeal No. 13 of 2018 against the decision of Madam Justice Arana on 11 May 2018. On 21 June 2019 the Court of Appeal set aside the decision of Justice Arana, including the permanent injunction.

Speednet Communication Limited filed Caribbean Court of Justice (CCJ) Appeal No. BZCV2020/001 against the decision of the Belize Court of Appeal. The appeal was heard by the CCJ on 14 October 2020 and a decision was reserved. On the advise of the CCJ, the matter was amicably settled between the parties in a consent order which the Caribbean Court of Justice entered on 19 January 2021.

On the 08 January 2021, Speednet Communication Limited and Public Utilities Commission agreed to the following:

- a) Speednet is to pay for the use of the spectrum (LTE 700 MHz mobile spectrum assigned on 29 July 2013 beginning on the publication date of the Spectrum Allocation Plan in the Gazette (06 October, 201g).
- b) The fee due for the year 2018 will be the pro-rated cost for 06 October 2018 to 31 December 2018. The said fee is calculated by parties as BZD 86,392.69.
- c) The fee for calendar years 2019 and 2020 fell due at the end of the year and are calculated at the prescribed and agreed fee of BZD 366,666.67.

Public Utilities Commission

Notes to the financial statements

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17. Commitments and contingencies (continued)

(2) Legal matters (continued)

b) Supreme Court Claim No. 166 of 2017 – Speednet Communications Ltd. v Public Utilities Commission AND Civil Appeal No. 13 of 2018 – PUC v Speednet Communications Ltd.

d) Each party is to bear its own costs in the CCJ and below.

e) The parties also agreed that the PUC will pay interest on the sum of BZD 792,000.00 (less \$1,400.00) the judgment sum due to Speednet communications Limited in CCJ Appeal No. BZCV 20151001.

As of 31 March 2022, the Public Utilities Commissions has applied the judgement payable balance to Speednet's outstanding license fee.

c) Supreme Court Claim No. 275 of 2009 – Public Utilities Commission

The PUC commenced this claim in March 2009 against the Attorney General of Belize and Belize Telemedia Limited seeking declarations, costs and further or other relief.

As of balance sheet date, this claim was pending in the Supreme Court awaiting a trial date.

18. Employment benefits

The Commission recognises termination benefits in accordance with the Labour Act, Chapter 297 of the Laws of Belize. The Labour Act was revised in April 2011 to require that employees who have been employed for (a) five to ten years be paid severance pay of one week's pay for each year of service upon termination and, (b) employees with more than ten years be paid, upon termination or resignation, severance pay of one week's pay for each year of service prior to April 2011 and two week's pay for each year of service after April 2011.

Liabilities in relation to the provisions of the Labour Act are reflected in these financial statements as Severance payable.

19. Pension plan

By a Trust Deed dated 03 March 2015, the Commission established the Public Utilities Commission Pension Plan (the Pension Plan).

The Pension Plan is a "non-contributory, defined contribution plan" in which the employees are not obliged to make payments, but may do so voluntarily (non-contributory); benefits to be paid from the Pension Plan are not fixed, but are based on accumulated amounts for each qualifying employee. Contribution by the Commission is fixed at 4% of gross salaries (defined contribution).

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19. Pension plan (continued)

The effective date of the Pension Plan is 01 April 2009, and it covers all full-time employees and full-time contract workers.

20. Taxation

The activities of the Public Utilities Commission are not subject to income taxes.

21. Key management and board compensation

Section 4 of the Act provides for a Board of Commissioners which shall be responsible for the policy and the general administration of the affairs of the Commission.

The Board consisted of six Commissioners at 31 March 2022. Members of the Board of Commissioners are compensated on a per-meeting basis.

22. Subsequent events

Subsequent events have been evaluated through 15 July 2025, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Moore Belize LLP
3 ½ Miles Philip Goldson Highway
Belize City, Belize, C.A.

T +501 223 2144 +501 223 2139
E info@moore-belize.bz
W www.moore-belize-bz

