

**1. Financial Statements**  
**Dominica Electricity Services Limited**  
**UN-AUDITED BALANCE SHEET**  
**AS AT MARCH 31, 2020**  
*(expressed in Eastern Caribbean Dollars)*

	<b>March 2020</b>	<b>March 2019</b>	<b>December 2019</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>179,168,859</b>	175,715,019	178,903,445
Operating Lease	<b>350,379</b>	521,902	390,057
	<b>179,519,237</b>	176,236,921	179,293,502
<b>Current assets</b>			
Cash and cash equivalents	<b>4,998,492</b>	757,587	14,347,250
Trade and other receivables	<b>19,096,693</b>	19,522,984	15,653,504
Inventories	<b>20,182,683</b>	20,323,740	20,084,493
Corporate tax recovery	<b>1,233,056</b>	1,233,056	1,233,056
	<b>45,510,926</b>	41,837,367	51,318,303
	<b>225,030,163</b>	218,074,288	230,611,806
<b>Equity</b>			
Share capital	<b>10,417,328</b>	10,417,328	10,417,328
Retained earnings	<b>80,376,707</b>	78,269,767	79,700,778
	<b>90,794,035</b>	88,687,095	90,118,106
<b>Non-current liabilities</b>			
Borrowings	<b>74,909,132</b>	70,044,315	76,908,883
Customers' deposit	<b>3,656,641</b>	3,810,546	3,662,094
Lease liability	<b>191,839</b>	361,351	232,601
Demand promissory note	-	-	-
Deferred credit	<b>13,513,156</b>	11,609,772	13,373,248
Deferred tax liability	<b>16,247,282</b>	15,521,606	16,021,974
Capital Grant	-	-	-
	<b>108,518,051</b>	101,347,591	110,198,799
<b>Current liabilities</b>			
Trade and other payables	<b>12,671,705</b>	15,595,138	17,587,807
Lease liability	<b>160,041</b>	160,551	158,057
Due to related party	<b>4,988,139</b>	3,974,155	4,753,198
Demand promissory note	-	2,716,900	-
Corporation tax	-	-	-
Current portion of borrowings	<b>7,898,193</b>	5,592,858	7,795,840
	<b>25,718,077</b>	28,039,602	30,294,902
	<b>225,030,163</b>	218,074,288	230,611,806

## Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF INCOME  
FOR THE QUARTER ENDED MARCH 31, 2020  
(expressed in Eastern Caribbean dollars)

	March 2020 \$	March 2019 \$	December 2019 \$
<b>Revenue</b>			
Operating Revenue	<b>21,272,409</b>	18,880,028	85,333,639
<b>Operating Expenses</b>			
Fuel	<b>8,757,474</b>	7,873,096	35,778,491
Generation	<b>1,764,288</b>	1,409,564	7,676,388
General	<b>2,699,219</b>	2,260,947	11,941,881
Distribution	<b>1,986,689</b>	1,729,582	7,895,047
Insurance	<b>975,016</b>	986,277	3,376,938
Depreciation	<b>3,384,377</b>	3,532,464	13,313,035
	<b>19,567,063</b>	17,791,930	79,981,780
<b>Operating income</b>	<b>1,705,346</b>	1,088,098	5,351,859
Finance and other income	<b>163,750</b>	127,663	838,217
Finance and other costs	<b>(967,858)</b>	(906,488)	(3,949,425)
<b>Income before taxation</b>	<b>901,238</b>	309,273	2,240,651
Taxation	<b>(225,310)</b>	(77,318)	(577,685)
<b>Net income being comprehensive income for the year</b>	<b>675,929</b>	231,955	1,662,966
<b>Basic and diluted earnings per share (cents)</b>	<b>0.06</b>	0.02	0.16

## DOMINICA ELECTRICITY SERVICES LIMITED

UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE QUARTER ENDED MARCH 31, 2020  
(expressed in Eastern Caribbean Dollars)

Share capital	March 2020	March 2019	December 2019
Ordinary shares, beginning and end of period	10,417,328	10,417,328	10,417,328
<b>Retained earnings</b>			
At beginning of period	79,700,778	78,037,812	78,037,812
Net income/(loss) for the period	675,929	231,955	1,662,966
Ordinary dividends (declared)			
At end of period	<b>80,376,707</b>	<b>78,269,767</b>	<b>79,700,778</b>
Shareholders' equity, end of period	<b>90,794,035</b>	<b>88,687,095</b>	<b>90,118,106</b>

**Dominica Electricity Services Limited****UN-AUDITED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED MARCH 31, 2020***(expressed in Eastern Caribbean Dollars)*

	<b>March 2020 \$</b>	<b>March 2019 \$</b>	<b>December 2019 \$</b>
<b>Cash flows from operating activities</b>			
Net income/(loss) before tax	901,238	309,273	2,240,651
Adjustments for:			
Depreciation	3,384,377	3,532,464	13,313,035
Loss/(Gain) on foreign exchange	26,880	715	(32,247)
Loss/(Gain) on disposal of property, plant and	11,236	(9,276)	55,100
Provision for inventory obsolescence	67,500	24,746	226,177
Finance costs	956,622	915,763	3,894,325
Amortization of deferred revenue	(136,870)	(126,947)	(805,971)
Amortization of capital grants	-	-	-
Net change in provision for other liabilities and charges	(428,031)	(1,562,993)	(769,295)
Operating income before working capital changes	4,782,951	3,083,746	18,121,775
Decrease/(increase) in receivables and prepayments	(3,555,646)	(2,675,178)	2,817,103
Decrease/(increase) in inventories	(165,691)	840,963	878,779
Increase/(decrease) in accounts payable and accruals	(4,402,986)	(1,561,541)	(2,418,791)
Increase in due from related party	234,941	228,603	1,007,646
Cash generated from operations	(3,106,430)	(83,408)	20,406,512
Finance cost paid	(956,622)	(915,763)	(3,427,944)
Income tax paid	-	-	-
Net cash from operating activities	(4,063,052)	(999,171)	16,978,568
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(3,610,112)	(3,815,505)	(16,830,481)
Increase in right of use assets		(560,804)	(543,990)
Proceeds on disposal of property, plant and equipment	(11,236)	13,940	110,574
Net cash used in investing activities	(3,621,348)	(4,362,369)	(17,263,897)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	-	2,701,760	17,337,950
Dividends paid	-	-	-
Repayment of borrowings	(1,897,398)	(1,854,549)	(10,140,090)
Increase in lease liability	(38,778)	521,902	390,658
Customers' contribution	277,270	302,844	2,745,344
Customers' deposits	(5,452)	61,969	(86,483)
Net cash generated from/(used in) financing activities	(1,664,358)	1,733,926	10,247,379
<b>Net increase/(decrease) in cash and cash equivalents</b>	(9,348,758)	(3,627,614)	9,962,050
<b>Cash and cash equivalents, beginning of period</b>	14,347,250	4,385,200	4,385,200
<b>Cash and cash equivalents, end of period</b>	4,998,492	757,586	14,347,250

## **Notes to the Financial Statement for the Quarter ending March 31, 2020**

### **General Information**

Dominica Electricity Services Limited (the Company), was incorporated as a public limited liability company on April 30, 1975 and is domiciled in the Commonwealth of Dominica. The Company operates in a fully liberalised sector under the Electricity Supply Act of 2006. Under the Act, an Independent Regulatory Commission (the commission) is vested with broad regulatory oversight over all aspects of the energy sector. The Company's operations are regulated by the Commission. The principle activity of the Company includes the generation, distribution and transmission of electricity.

The Company is listed on the Eastern Caribbean Stock Exchange and falls under the jurisdiction of the Eastern Caribbean Regulatory Commission.

Dominica Power Holding Limited, a subsidiary of Emera (Caribbean) Incorporated, owns 52% of the ordinary share capital of the Company. The ultimate parent of the Company is Emera Inc., an energy and services company registered in Canada.

The Dominica Social Security owns 21% of the ordinary share capital, while 27% is held by the general public.

The registered office and principal place of business of the Company is located at 18 Castle Street, Roseau, Commonwealth of Dominica.

### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and under the historical cost convention.

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 Company'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 of the Financial Statement as at and for the year ended December 31, 2019.