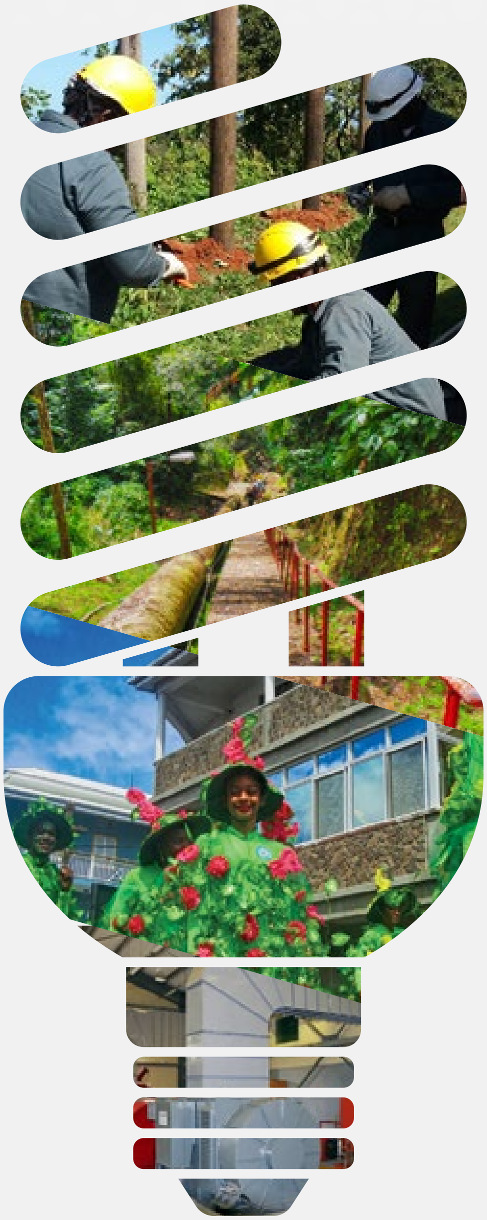


REMAINING CONSTANT DURING WAVERING TIMES.

2020 ANNUAL REPORT

Dominica Electricity Services Ltd

DOMLEC

WHAT'S INSIDE

CHAIRMAN'S REPORT

The beginning of 2021 brought with it a renewed drive to progress towards the realization of the company's pre-Maria revenue levels. However, the declaration of the Covid-19 pandemic and its attendant repercussions stymied our efforts in that regard.

DOMLEC activated its Pandemic Preparedness Plan and its Covid-19 specific Business Continuity Plan by January 29, 2020 and March 2020 respectively. As a result, the Company was able to mount a satisfactory response to the threats posed by the Pandemic. We were able to competently provide a safe environment for our customers while they transacted business. All the required protocols were in place to mitigate against the impact of Covid-19. Our employees demonstrated their flexibility and versatility by combining remote work and on site work as required by the prevailing circumstances. Our responsible re-entry into the on-site work environment was seamless.

Our move to the pre-Hurricane Maria customer count of 36,499 continued with our attainment of 94.6% of that figure by the end of 2020. Table 1 below shows that the number of customers has been steadily increasing towards the pre-Hurricane Maria level.

TABLE 1
PERCENTAGE OF PRE-HURRICANE MARIA CUSTOMER COUNT

Dec 31 2017	Dec 31 2018	Dec 31 2019	Dec 31 2020
14.7%	77.7%	89.6%	94.6%

Overall electricity sales increased by 5.2% over 2019 sales. The Hotel, Domestic and Streetlighting sectors showed increases while the Commercial and Industrial sectors registered decreases.

Table 2 provides additional information.

TABLE 2
SALES BY SECTOR - 2019 AND 2020 (kWh)

Customer Sector	2019	2020	Variance
Domestic	37,724,336	40,780,441	8.1%
Commercial	37,210,512	36,408,599	-2.2%
Industrial	3,650,093	3,460,450	-5.2%
Hotel	1,823,136	2,825,185	55.0%
Street Lighting	835,186	2,026,934	142.7%
Total	81,243,263	85,501,609	5.2%

Generating capacity has not returned to the pre-Maria level as the Padu Power Plant remains out of commission due to unforeseen delays. The 1.5MW Wartsila Unit at Sugar Loaf has been a welcome addition since its commissioning in September 2020.

In keeping with the strategic objective of having 100% renewable energy generation by 2030, the company actioned elements of its Sustainable Energy Plan (SEP). However, review and revision of the SEP has been undertaken based on the change in scope of the geothermal project from 7MW to 10MW. This necessitated additional technical and commercial discussions with the Dominica Geothermal Development Company which is expected to culminate in a new Power Purchase Agreement to be finalized in 2021.

Our customer service levels are measured by our adherence to the Quality of Service Standards (QSS). We are pleased to report that, over the years we have continued to see a steady increase in our annual QSS score as shown in Table 3.

TABLE 3
QSS SCORE FOR 2018-2020

QSS SCORE	2018	2019	2020
	86.9%	94.7%	97.8%

DOMLEC's commitment to safety, health and the environment is well-known across Dominica. In 2020, the Company was able to achieve all its objectives as it continued on the path to world class safety. As at December 31, 2020 the organization clocked 473, 478 work hours without a lost time incident, i.e. no lost incident since June 2019. DOMLEC's employees are to be commended for this safety performance. This is attributable to increased visibility of leadership, enhanced and more communication on safety issues and greater sense of purpose by all staff.

Total revenue of EC$80.38 million in 2020 is 5.8% lower than that of 2019. Total operating expenses equal EC$75.06 million or a decrease of 6.15% over the 2019 figure. Net profit before tax for the year ended December 31, 2020 was EC$2.42 million compared to EC$2.24 million in 2019. Deferred taxes applied in 2020 was EC$2.4million resulting in net profit after tax of EC$14,218 compared to a net profit after tax of EC$1.66million for the previous year.

The company's performance in an extremely challenging year and its ability to keep the lights on for its customers are due to a committed and competent human resource base guided by the Board of Directors. At this juncture, we wish to highlight the significant contribution of Mr. Peter Williams, Deputy Director of the Board for the past seven years. The Board expresses sincere gratitude to him and wishes him all the best in his retirement. Best wishes for a productive retirement also goes out to Mr. Joseph Peltier who served satisfactorily for three years as a Director.

The impact of Covid-19 is projected to be significant at least for the first half of 2021. The Company will utilize techniques aimed at generating increased revenue while simultaneously applying cost-cutting measures. The Company intends to maintain the delivery of a safe, reliable and stable electricity supply to its customers every moment of every day. The input of all stakeholders will be considered as the Board of Directors, Management and staff focus on the attainment of the Company's corporate goals.

David McGregor
Chairman

BOARD OF DIRECTORS

DAVID MC GREGOR
CHAIRMAN

PETER WILLIAMS
DEPUTY CHAIRMAN
(To September 2020)

FREDERICA JAMES
CHAIRMAN - HR &
COMPENSATION COMMITTEE

F. ADLER HAMLET
CHAIRMAN - AUDIT COMMITTEE

JOSEPH PELTIER
DIRECTOR
(To September 2020)

ROGER BLACKMAN
DIRECTOR

CECIL JOSEPH
DIRECTOR

RICAIDO JENNINGS
DIRECTOR

SOLANGE PAYNE
DIRECTOR
(From September 2020)

MICHAEL PASCAL
DIRECTOR
(From September 2020)

MANAGEMENT
TEAM

BERTILIA MC KENZIE
GENERAL MANAGER

LEMUEL LAVINIER
ENGINEERING, TRANSMISSION & DISTRIBUTION MANAGER

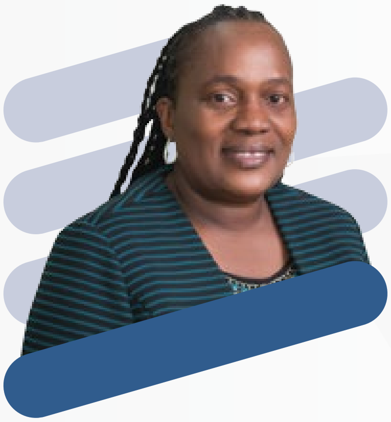
DAVE STAMP
GENERATION MANAGER

CLYDE EDWARDS
FINANCIAL CONTROLLER

ELLISE DARWTON
CORPORATE SECRETARY / LEGAL OFFICER

CARL MAYNARD
IT MANAGER

PAUL MOSES
COMMERCIAL MANAGER



CLAUDIA BRUMANT
HUMAN RESOURCES & ADMINISTRATION MANAGER

COMMUNITY
OUTREACH

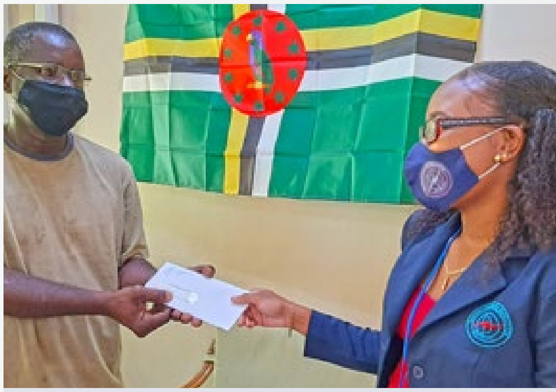
Electricity Credit of $5,000 to the Dominica Infirmary

Annual support of $1,000 to the Dominica Cancer Society to support cancer awareness

Annual electricity credit of $10,200 to the Grotto Home

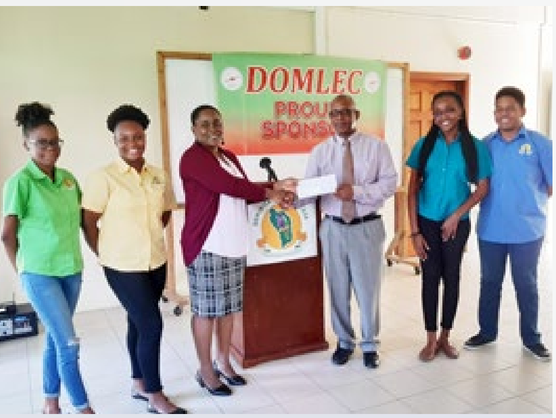
Staff on the Walk for Cancer Awareness organised by the Dominica Cancer Society.

Annual support of $1,000 to the Dominica Council on Ageing

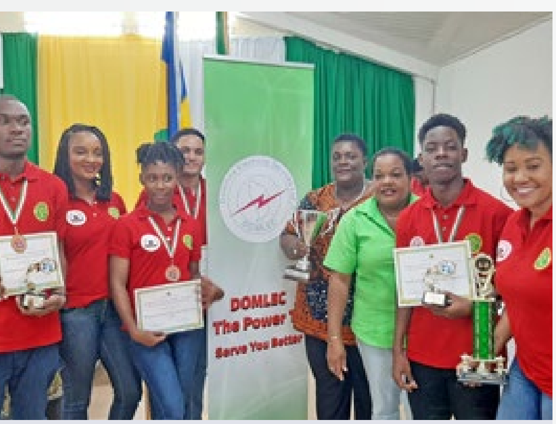


Annual Support of $1,000 to the Dominica Association of Persons with Disabilities (DAPD)

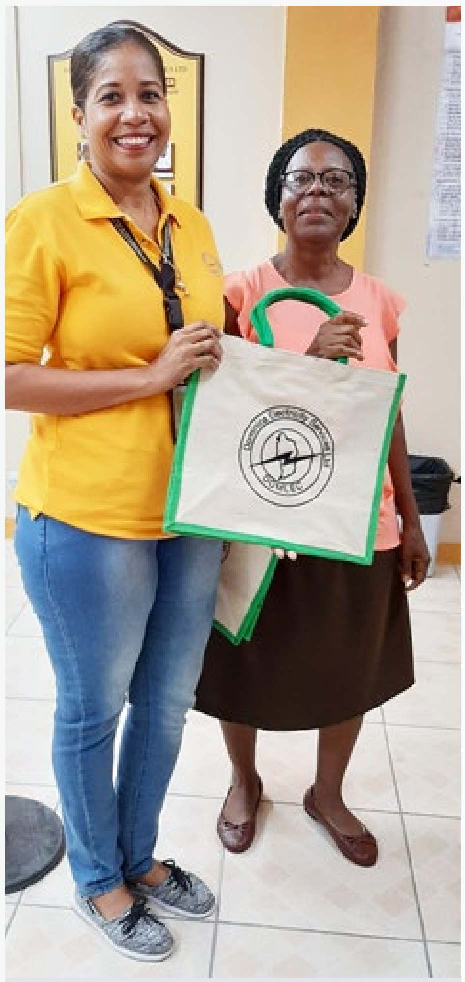
Centenarians are provided with an annual credit of $600 towards their electricity bill. Centenarian, Mionette Gussie Bannis, is surrounded by staff on a visit to the office.



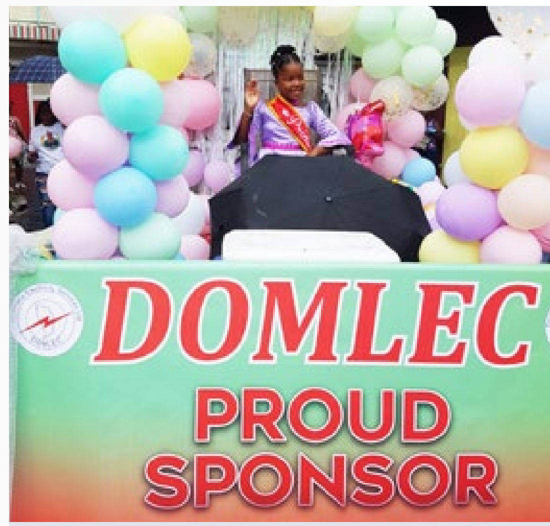
Sponsorship of $30,000 to the Dominica State College for hosting the Windward Islands Debating Competition



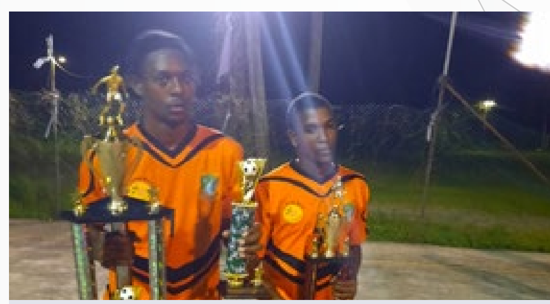
Debate Winners - St. Vincent



Shopping Bags to customers for Christmas



Aliane Toussaint - DOMLEC sponsored 1st Runner Up in Carnival Princess Show 2020



Cochrane Football Team - Winners of the DOMLEC sponsored Roseau Valley Football League

FINANCIAL
STATEMENTS

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TO THE FINANCIAL STATEMENTS

Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DOMINICA ELECTRICITY SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Dominica Electricity Services Ltd ("the Company"), which comprise the statement of financial position as of 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion
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 Company in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information included in the Company's 2020 Annual Report
Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DOMINICA ELECTRICITY SERVICES LIMITED (CONTINUED)

Report on the Audit of the Financial Statements

Responsibilities of Management and the Audit Committee for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company'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 is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 ISA, we exercise professional judgment 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 Company'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 Company'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 Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DOMINICA ELECTRICITY SERVICES LIMITED (CONTINUED)

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

We communicate with Audit Committee 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 Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement Associate Partner in charge of the audit resulting in this independent auditor's report is Rishi Ramkissoon.

Ernst & Young.

CHARTERED ACCOUNTANTS
St. Lucia
29 March 2021

DOMINICA ELECTRICITY SERVICES LIMITED

Statement of Financial Position

As of 31 December 2020

(expressed in Eastern Caribbean dollars)

	Notes	2020 $	2019 $
Assets			
Non-current assets			
Property, plant and equipment	5	180,346,203	178,903,445
Right of use asset	13	228,400	390,057
		180,574,603	179,293,502
Current assets			
Cash and cash equivalents	6	9,817,752	14,347,250
Trade and other receivables	7	12,969,781	15,653,504
Inventories	8	19,870,067	20,084,493
Corporation tax recoverable	14	1,233,057	1,233,057
		43,890,657	51,318,304
Total assets		224,465,260	230,611,806
Equity			
Share capital	9	10,417,328	10,417,328
Retained earnings		78,673,263	79,700,778
		89,090,591	90,118,106
Non-current liabilities			
Borrowings	10	68,775,881	76,908,882
Customers' deposits	11	3,761,442	3,662,094
Long-term lease liability	13	60,370	232,601
Deferred revenue	12	13,684,847	13,373,248
Deferred tax liability	14	18,430,388	16,021,974
		104,712,928	110,198,799
Current liabilities			
Trade and other payables	15	13,524,066	17,587,807
Due to related party	20	5,394,204	4,753,197
Short-term lease liability	13	172,231	158,057
Borrowings	10	11,571,240	7,795,840
		30,661,741	30,294,901
Total equity and liabilities		224,465,260	230,611,806

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

Approved by the Board of Directors on 26 March 2021 and signed on its behalf by:

.................................Director   ....Director

DOMINICA ELECTRICITY SERVICES LIMITED

Statement of Changes in Equity
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

	Common shares $	Retained earnings $	Total $
Balance at 1 January 2019	10,417,328	78,037,812	88,455,140
Total comprehensive income	-	1,662,966	1,662,966
Balance at 31 December 2019	10,417,328	79,700,778	90,118,106
Total comprehensive income	-	14,218	14,218
Dividends paid (10 cents per share)	-	(1,041,733)	(1,041,733)
Balance at 31 December 2020	10,417,328	78,673,263	89,090,591

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

DOMINICA ELECTRICITY SERVICES LIMITED

Statement of Comprehensive Income
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

	Notes	2020 $	2019 $
Operating revenue	19	80,381,656	85,333,639
Operating expenses			
Fuel		28,442,229	35,778,491
Generation		8,595,421	7,676,388
General		12,179,531	11,941,881
Engineering and distribution		8,497,527	7,895,047
Insurance		4,459,674	3,376,938
Depreciation	5,13	12,884,971	13,313,035
	16	75,059,353	79,981,780
Operating income		5,322,303	5,351,859
Other income	17	622,887	783,117
Finance and other costs	18	(3,522,558)	(3,894,325)
Profit before taxation		2,422,632	2,240,651
Taxation	14	(2,408,414)	(577,685)
Net profit for the year		14,218	1,662,966
Basic and diluted earnings per share (cents)	21	-	16

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

DOMINICA ELECTRICITY SERVICES LIMITED

Statement of Cash Flows

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

	Notes	2020 $	2019 $
Cash flows from operating activities			
Profit before taxation		2,422,632	2,240,651
Adjustments for non-cash items:			
Depreciation	5,13	12,884,971	13,313,035
Gain on foreign exchange		(17,485)	(32,249)
Loss/(gain) on disposal of property, plant and equipment	17	254,601	55,100
Provision for inventory obsolescence	8	992,357	226,177
Finance costs	18	3,522,558	3,894,325
Amortization of deferred revenue	17	(860,003)	(805,971)
Net change in provision for other liabilities and charges		342,549	(769,295)
Operating income before working capital changes		19,542,180	18,121,773
Decrease in trade and other receivables		2,683,723	2,817,103
(Increase)/decrease in inventories		(777,935)	878,779
Decrease in trade and other payables		(4,697,216)	(2,418,787)
Increase in due to related parties		641,007	1,007,645
Cash generated from operations		17,391,759	20,406,513
Interest and finance charges paid		(3,214,147)	(3,427,944)
Net cash from operating activities		14,177,612	16,978,569
Cash flows used in investing activities			
Additions to property, plant and equipment	5	(14,468,510)	(16,830,481)
Proceeds on disposal of property, plant and equipment		47,841	110,573
Net cash used in investing activities		(14,420,669)	(16,719,908)
Cash flows used in financing activities			
Proceeds from borrowings		-	17,337,950
Dividends paid		(1,041,733)	-
Repayment of borrowings		(7,726,715)	(10,140,090)
Customers' contributions	12	1,171,602	2,745,344
Payment of principal portion of lease liability	13	(158,057)	(153,332)
Customers' deposits (net)	11	99,348	(86,483)
Net cash (used in) from financing activities		(7,655,555)	9,703,389
Net (decrease)/increase in cash and cash equivalents		(7,898,612)	9,962,050
Cash and cash equivalents - beginning of year		14,347,250	4,385,200
Cash and cash equivalents - end of year	6	6,448,638	14,347,250

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

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

1 General information

Dominica Electricity Services Limited (the "Company"), was incorporated as a public limited liability company on 30 April 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 principal 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.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these 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 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.

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

DOMINICA ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

a) New and amended standards, and interpretations adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendment to IFRS effective as of 1 January 2020. The nature and effect of changes as a result of the adoption of this new accounting standard are described below. Unless otherwise noted, the adoption of the revised standards did not have a significant change on the financial statements of the Company.

- **IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'**, amended October 2018. The amendment revises the definition of 'material'. The new definition states information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendment is effective for annual statements beginning on or after 1 January 2020 and it is not expected to have an impact on the financial statements.

- **IFRS 16 '*Covid-19-Related Rent Concessions', issued May 2020 - amendment to IFRS 16 Leases*.** The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment is effective for annual statements beginning on or after 1 June 2020 and it is not expected to have an impact on the financial statements. Earlier application is permitted.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.2 Changes in accounting policy and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2020 and not early adopted

Management has reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and have determined that the following are relevant to the Company's operations. The Company has not early adopted the new standards, amendments and interpretations:

IAS 1 'Presentation of Financial Statements', amended January 2020. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendment is effective for annual periods beginning on or after 1 January 2023 retrospectively in accordance with IAS 8, with early application permitted. The amendment will not have an impact on the financial statements.

- **IAS 16 'Property, Plant and Equipment',** issued May 2020. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The Company shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are not expected to have an impact on the financial statements.

DOMINICA ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2020 and not early adopted (continued)

- **IAS 37 'Onerous Contracts'**. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the Company shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are not expected to have an impact on the financial statements.

- **IFRS 9 Financial Instruments**. The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date, the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

- **IAS 1 'Presentation of Financial Statements'** issued January 2023. The amendments clarify that the classification of liabilities as current or non-current, is based on rights that are in existence at the end of the reporting period. Also, it specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendment introduces a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The amendment will not have an impact on the financial statements.

2 Summary of significant accounting policies (continued)

2.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Eastern Caribbean dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Eastern Caribbean 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 statement of comprehensive income.

2.3 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. Included in subsequent costs are the costs of major spare parts and standby equipment. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Contributions received towards construction of electric plant are shown as deferred revenue in the statement of financial position.

The Company includes borrowing costs directly attributable to the acquisition, construction or production of qualifying assets as part of the cost of that asset until the asset is made available for service.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

(continued)

2 Summary of significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

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:

Generation equipment	2.25% - 44.44%
Transmission and distribution	4.5% - 5%
Other	2% - 25%

Generation equipment includes overhaul, which is depreciated at 40% - 44.44%.

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 statement of financial position 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.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

(continued)

2 Summary of significant accounting policies (continued)

2.4 Financial investments

The Company has classified its financial investments as loans and receivables. Management determines the classification at initial recognition and reviews the designation at every reporting date. The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise cash resources, trade, and other receivables.

b) Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets.

c) Impairment of financial assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company considers its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due and shared credit risk characteristics and reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators include failure of a debtor to make contractual payments and a failure of the debtor to engage in a repayment plan with the Company.

DOMINICA ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.4 Financial investments (continued)

c) Impairment of financial assets (continued)

Expected credit losses are presented in general expenses in the statement of comprehensive income. Subsequent recoveries are credited against the same line item.

d) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers or retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the statement of comprehensive income.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amounts allocated to the part is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in the statement of comprehensive income. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

e) 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.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.5 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. Cash allocated to a debt service reserve account is included in cash and cash equivalents as disclosed in Note 6.

2.6 Trade receivables

Trade receivables are amounts due from customers for electricity or other services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost less provision for expected credit losses and discounts. (See Note 2.4 c) for the calculation of the expected credit losses for trade receivables.

In addition, a provision for discounts based on historical experience and adjusted for forward-looking factors, is created in anticipation of accounts that will be settled prior to the scheduled due date. The amount of the provision is recognised in the statement of comprehensive income.

2.7 Inventories

Inventories of fuel, materials and supplies are stated at the lower of cost or net realisable value. Cost is determined on an average cost basis. Generation spares are carried at cost less provision for obsolescence.

2.8 Share capital

Common shares are classified as equity.

2.9 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 comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has the unconditional right to defer settlement of the liability for at least twelve (12) months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

2.10 Taxation

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

The current tax is the expected tax payable on taxable income for the period and is calculated on the basis of the tax rates enacted or substantially enacted at the statement of financial position date.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.10 Taxation (continued)

Current and deferred income tax (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 statement of financial position date and are expected to apply when the asset is realised or the liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.11 Customers' deposits

Commercial and all other customers except prepaid customers are normally required to provide security for payment. The cash deposit is refunded when the account is terminated.

Given the long term nature of the customer relationship, customer deposits are shown in the statement of financial position as non-current liabilities (i.e. not likely to be repaid within twelve months of the statement of financial position date). Interest on deposits is recognised using the effective interest rate method.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

2.13 Revenue recognition

Basic Revenue

Basic revenues are recognized when electricity is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the electricity. Revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the sale of electricity are recognized at rates approved by the respective regulator and recorded based on metered usage, which occur on a periodic, systematic basis. At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized.

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.13 Revenue recognition (continued)

Basic Revenue (continued)

The Company's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of megawatt hour ("MWh") delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of energy demand, weather, line losses and inter-period changes to customer classes.

Fuel Revenue

Fuel costs are passed to customers through the fuel surcharge mechanism, which provides the opportunity to recover substantially all fuel costs required for the generation of electricity. The calculation of the fuel charge was approved by the Independent Regulatory Commission. The Company recognises fuel revenue on the basis of the amount recoverable for the accounting period.

Miscellaneous Revenue

Miscellaneous revenue is generated from the sale of goods and services, which do not form part of the principal activity of generating, distributing and supplying of electricity. This includes pole rentals, other rentals and service fees.

Revenue for the rental of poles, and other services is recognised when the Company provides the assets for use by the customer or when the various services are provided.

Service fees are recognised as the various services are provided.

Other

Value added taxes collected by the Company concurrent with revenue-producing activities are excluded from revenue.

2.14 Employee benefits

The Company operates a defined contribution scheme. The Company makes monthly contributions to the plan and participation is voluntary for employees. Pension costs are accounted for on the basis of contributions payable in the year (Note 22).

The Company contributes to a defined contribution plan for all employees contributing to the plan. The assets of the plan are held separately. The pension plan is funded by payments from participating employees and the Company. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to employee services in the current and prior periods.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

2 Summary of significant accounting policies (continued)

2.15 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 Company are also considered related parties.

2.16 Bonus plans

The Company recognises a liability and an expense for bonuses on a formula that takes into consideration the profit attributable to the Company's shareholders. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.17 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee except for short-term leases with a lease term of 12 months or less and leases of low value assets. For these leases, the Company recognises the lease payments as an expense on a straight-line basis in the statement of comprehensive income over the term of the lease.

For all other leases, at lease commencement date, the company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, and any lease payments made in advance of the lease commencement date. The Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments and payments arising from options reasonably certain to be exercised.

The Company depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The lease liability is subsequently reduced for payments made and increased for interest on the lease liability, using the effective interest method. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of comprehensive income if the right-of-use asset is already reduced to zero. There were no lease reassessments or modifications in 2020.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

(continued)

3 Financial risk management

3.1 Financial instruments by category

At 31 December 2020

	Loans and receivables $	Total $
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	11,069,599	11,069,599
Cash and cash equivalents	9,817,752	9,817,752
Total	20,887,351	20,887,351

	Other financial liabilities at amortised cost $	Total $
Liabilities as per statement of financial position		
Borrowings	80,347,121	80,347,121
Trade and other payables (excluding statutory liabilities and accrued expenses)	7,453,123	7,453,123
Customers' deposits	3,761,442	3,761,442
Total	91,561,686	91,561,686

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

3 Financial risk management (continued)

3.1 Financial instruments by category (continued)

At 31 December 2019

	Loans and receivables $	Total $
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	13,047,473	13,047,473
Cash and cash equivalents	14,347,250	14,347,250
Total	27,394,723	27,394,723

	Other financial liabilities at amortised cost $	Total $
Liabilities as per statement of financial position		
Borrowings	84,704,722	84,704,722
Trade and other payables (excluding statutory liabilities and accrued expenses)	11,291,089	11,291,089
Customers' deposits	3,662,094	3,662,094
Total	99,657,905	99,657,905

3.2 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange, cash flow and interest rate risk), liquidity, credit risk and underinsurance risks. The Company'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 Company's management under direction from the Board of Directors carries out risk management.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

3 Financial risk management (continued)

3.2 Financial risk factors (continued)

The Company'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 Company's earnings and economic value due to movements in exchange rates.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company is exposed to foreign exchange risk arising primarily from foreign currency borrowings and purchases of plant, equipment and spares from foreign suppliers. The exchange rate of the Eastern Caribbean dollar (EC$) and the United States dollar (US$) has been formally pegged at EC$ 2.70=US$ 1.00 since July 1976. At 31 December 2020 borrowings of $42,670,800 (2019 - $42,670,800) are designated in United States dollars.

Management has established a policy requiring the Company to manage its foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transaction and recognised assets and liabilities, the Company attempts to enter into transactions that are based largely in United States dollars.

The Company has not entered into forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates.

ii) Cash flow and fair value interest rate risk

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

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

The Company's policy is to maintain its borrowings in fixed rate instruments thereby minimising cash flow interest rate risk. At 31 December 2020, 47.6% of the Company's borrowings were at fixed rates (2019 - 50.3%).

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

3 Financial risk management (continued)

3.2 Financial risk factors (continued)

***a) Market risk* (continued)**

ii) Cash flow and fair value interest rate risk (continued)

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. At 31 December 2020, the Company held borrowings at both fixed and floating interest rates. The Company's exposure to interest rates and the terms of borrowings are disclosed in Note 10.

b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot adequately generate sufficient cash and cash equivalents to satisfy commitments as they become due.

The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company collecting its accounts receivable in a timely manner and maintaining sufficient cash and cash equivalents in excess of anticipated financial obligations. To support the cash flow position, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating and capital requirements.

Management monitors the Company's liquidity reserves which comprise undrawn borrowing facility to meet operational needs so that the Company does not break covenants (where applicable) on its borrowing facilities. Management monitors cash and cash equivalents (Note 6), on the basis of expected cash flows and is of the view that the Company holds adequate cash and credit facilities to meet its short-term obligations. Management monitors the Company's liquidity requirements on a continuous basis to ensure it has sufficient cash.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Balances due within twelve (12) months equal their carrying balances. The amounts disclosed in the below table for borrowings will not reconcile to the statement of financial position as they are the contractual undiscounted cash flows.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

3 Financial risk management (continued)

3.2 Financial risk factors (continued)

b) Liquidity risk **(continued)**

	Less than 1 year $	Between 1 & 2 years $	Between 2 & 5 years $	Over 5 years $	Total $
At 31 December 2020					
Assets					
Cash and cash equivalents	9,817,752	-	-	-	9,817,752
Trade and other receivables	12,969,781	-	-	-	12,969,781
Total assets	22,787,533	-	-	-	22,787,533
Liabilities					
Borrowings	14,276,081	6,412,338	21,836,797	57,021,153	99,546,369
Trade and other payables	13,524,066	-	-	-	13,524,066
Customers' deposits	-	-	-	3,761,442	3,761,442
Total liabilities	27,800,147	6,412,338	21,836,797	60,782,595	116,831,877
At 31 December 2019					
Assets					
Cash and cash equivalents	14,347,250	-	-	-	14,347,250
Trade and other receivables	15,653,504	-	-	-	15,653,504
Total assets	30,000,754	-	-	-	30,000,754
Liabilities					
Borrowings	11,381,261	13,666,617	19,842,400	66,785,357	111,675,635
Trade and other payables	17,587,807	-	-	-	17,587,807
Customers' deposits	-	-	-	3,662,094	3,662,094
Total liabilities	28,969,068	13,666,617	19,842,400	70,447,451	132,925,536

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

3 Financial risk management (continued)

3.2 Financial risk factors (continued)

c) Credit risk

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

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as credit exposure to customers, including outstanding receivables and committed transactions. The Company's bank deposits and financial instruments are placed with reputable 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 31 December 2020, or 2019. Further analysis of the Company's trade receivables is disclosed in Note 7.

d) Underinsurance risk

Prudent management requires that a Company protect its assets against catastrophe and other risks. In order to protect its customers and investors, the Company has arranged a catastrophe standby facility with a financial institution to cover the Transmission and Distribution assets.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In managing capital, the Company estimates its future cash requirements by preparing a budget annually for review and approval by the Board of Directors. The budget establishes the activities for the upcoming year and estimates costs of these activities. Budget to actual variances are prepared monthly and reviewed by the Company's management.

The Company also monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total borrowings divided by total equity.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

3 Financial risk management (continued)

3.3 Capital risk management (continued)

The debt to equity ratios at 31 December were as follows:

	2020 $	2019 $
Shareholders' equity	89,090,591	90,118,106
Total borrowings	80,347,121	84,704,772
Debt/equity ratio	1:1.11	1:1.06

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. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value measurements are required to reflect the assumptions that market participants would use in pricing an asset or liability, based on the best available information including the risks inherent in a particular valuation technique, such as a pricing model, and the risks inherent in the inputs to the model.

The carrying value of cash, short term deposits, trade receivables less impairment provision and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes (Note 10) is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4 Significant accounting judgements, estimates and assumptions

4.1 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

4.2 Critical judgements in applying the entity's accounting principles

Impairment of non-financial assets

When the fair value declines or when there is objective evidence of impairment, management makes assumptions about the declines in value to determine whether it is an impairment that should be recognized in the statement of comprehensive income.

DOMINICA ELECTRICITY SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

5 Property, plant and equipment

	Generation $	Transmission and distribution $	Other $	Work in progress $	Total $
At 31 December 2020					
Cost	136,435,082	184,786,379	45,294,738	7,009,317	373,525,516
Accumulated depreciation	(98,536,335)	(71,404,545)	(23,238,433)	-	(193,179,313)
Net book amount	37,898,747	113,381,834	22,056,305	7,009,317	180,346,203
For the year ended 31 December 2020					
Opening net book amount	33,638,624	112,561,227	22,277,361	10,426,233	178,903,445
Additions and transfers	7,526,558	8,108,999	2,249,869	(3,416,916)	14,468,510
Retirals	(274,961)	-	(27,477)	-	(302,438)
Depreciation charge	(2,991,474)	(7,288,392)	(2,443,448)	-	(12,723,314)
Closing net book amount	37,898,747	113,381,834	22,056,305	7,009,317	180,346,203
At 31 December 2019					
Cost	129,627,523	176,813,555	43,471,413	10,426,233	360,338,724
Accumulated depreciation	(95,988,899)	(64,252,328)	(21,194,052)	-	(181,435,279)
Net book amount	33,638,624	112,561,227	22,277,361	10,426,233	178,903,445
For the year ended 31 December 2019					
Opening net book amount	36,175,938	107,731,781	21,189,593	10,300,428	175,397,740
Additions and transfers	1,181,720	11,750,706	3,675,006	223,049	16,830,481
Retirals	-	-	(68,430)	(97,244)	(165,674)
Depreciation charge	(3,719,034)	(6,921,260)	(2,518,808)	-	(13,159,102)
Closing net book amount	33,638,624	112,561,227	22,277,361	10,426,233	178,903,445

There were no borrowing costs capitalised during 2020 and 2019. For property, plant and equipment ("PPE") pledged as security, see Note 10. Included in the depreciation expense in the statement of comprehensive income is the depreciation for the right of use asset of $161,657 (2019: $153,933) (Note 13).

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

6 Cash and cash equivalents

	2020 $	2019 $
Cash in hand and at bank	9,817,752	14,347,250

As at 31 December 2020, the Company has within cash and cash equivalents, restricted cash amounting to $1,034,460 (2019 - $2,135,700) which represents at minimum two quarterly payments of principal and interest on the Caribbean Development Bank loan facility as a debt service reserve account. The Company applied for a moratorium during the financial year ended 31 December 2020, which allowed the Company to drawdown on the debt service reserve account to service quarterly interest payments over the period January to December 2020. During 2020, the Company utilised $1,101,240 from the debt service reserve account to service these quarterly interest payments.

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	2020 $	2019 $
Cash in hand and at bank	9,817,752	14,347,250
Bank overdraft (Note 10)	(3,369,114)	-
	6,448,638	14,347,250

7 Trade and other receivables

	2020 $	2019 $
Trade receivables	9,563,770	9,973,886
Less provision for expected credit losses	(916,271)	(672,308)
Trade receivables, net	8,647,499	9,301,578
Other receivables	2,524,034	3,938,185
Less provision for expected credit losses	(101,934)	(192,290)
Other receivables, net	2,422,100	3,745,895
Prepayments	1,900,182	2,606,031
	12,969,781	15,653,504

Within trade receivables is unbilled revenue of $352,272 (2019 - $477,449).

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

(continued)

7 Trade and other receivables (continued)

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

The movement in the provision for expected credit loss was as follows:

	2020 $	2019 $
Balance - beginning of year	864,598	633,909
Increase in provision	153,607	230,689
Balance - end of year	1,018,205	864,598

Direct write-offs for impaired receivables during the year to the statement of comprehensive income was $2,993 (2019 - $265,710). Recovery for bad debt written off was $29,130.

The ageing of trade and other receivables is as follows:

	2020			2019		
	Trade receivables $	Other receivables $	Expected credit losses $	Trade receivables $	Other receivables $	Expected credit losses $
Less than 30 days	5,416,120	1,808,512	423,456	6,215,290	2,554,897	545,044
31 - 60 days	2,449,525	42,828	160,550	2,989,800	453,398	213,986
61 - 90 days	631,521	6,525	76,050	251,089	6,928	16,035
Over 90 days	1,066,604	666,169	358,149	517,707	922,962	89,533
	9,563,770	2,524,034	1,018,205	9,973,886	3,938,185	864,598

8 Inventories

	2020 $	2019 $
Networks spares	17,159,952	17,179,513
Generation spares	5,806,904	5,496,570
Fuel	404,567	395,871
Other	626,948	693,392
	23,998,371	23,765,346
Provision for impairment of inventories	(4,128,304)	(3,680,853)
	19,870,067	20,084,493

The cost of inventories written down and recognised as an expense during the year is included in operating expenses in the amount of $992,357 (2019 - $226,177).

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

9 Share capital

	2020 $	2019 $
Authorised:		
15,000,000 Ordinary shares of no-par value	15,000,000	15,000,000
Issued		
(2019 – 10,417,328) Ordinary shares	10,417,328	10,417,328

10 Borrowings

	2020 $	2019 $
National Bank of Dominica Repayable by 2022 in monthly instalments of blended principal at an interest rate of 5% (2019 - 5%)	8,750,629	14,925,038
National Bank of Dominica Repayable by 2023 in monthly instalments of blended principal at an interest rate of 5% (2019 - 5%)	26,566,845	28,190,598
Caribbean Development Bank Repayable by 2035 in quarterly instalments of blended principal with a floating interest rate of 2.01% (3.06% at 31 December 2019)	21,027,600	21,027,600
Caribbean Development Bank Repayable by 2035 in quarterly instalments of blended principal with a floating interest rate of 3.75% (4.8% at 31 December 2019)	21,643,200	21,643,200
Less: Caribbean Development Bank Loan Appraisal Fees and Other Charges	(1,010,267)	(1,081,714)
Less: Current portion	(8,202,126)	(7,795,840)
Non-current portion	68,775,881	76,908,882

The current portion of the borrowings on the statement of financial position includes a bank overdraft of $3,369,114 (See Note 6 and Note 23) (2019- nil) and the current portion of the loans from the National Bank of Dominica of $8,202,126 (2019 - $7,795,840).

Borrowings are secured by hypothecary obligations and mortgage debentures creating fixed charges over certain specific immovable properties.

As at 31 December 2020, the Company was not in breach of any of its covenants with the National Bank of Dominica or Caribbean Development Bank under the existing credit facilities.

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

10 Borrowings (continued)

The maturity of borrowings is as follows:

	2020 $	2019 $
Less than 1 year	8,202,126	7,795,840
Between 1 and 2 years	4,077,671	10,463,041
Between 2 and 5 years	15,794,369	11,894,403
Over 5 years	49,914,108	55,633,152
Total	77,988,274	85,786,436

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

	Carrying amount		Fair value	
	2020 $	2019 $	2020 $	2019 $
Borrowings	77,988,274	85,786,436	73,193,184	84,244,045

The fair values are based on cash flows discounted using a rate based on the Company's average borrowing rate of 3.59% (2019 - 4.29%).

11 Customers' deposits

Commercial and non-resident customers are required to pay a security deposit for energy connections that are refundable when service is no longer required. Interest accrued at a rate of 2% (2019 - 2%) per annum.

	2020 $	2019 $
Balance - beginning of year	3,662,094	3,748,577
New deposits	128,735	95,683
Deposits refunded	(29,387)	(182,166)
Balance - end of year	3,761,442	3,662,094

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

12 Deferred revenue

	2020 $	2019 $
Balance – beginning of year	13,373,248	11,433,875
Additions	1,171,602	2,745,344
Amortization	(860,003)	(805,971)
Customer contributions	13,684,847	13,373,248

Deferred revenue represents payments made by customers towards the cost of capital works to be undertaken by the Company in order for the customer to receive electricity. When the asset is completed and transferred to property, plant and equipment, the deferred revenue is amortised in accordance with the depreciation rate of the asset.

13 Leases

The Company has leases for commercial space. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The current lease has remaining lease terms of one (1) year and four (4) months.

The carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period are as follows:

	Right-of-use Assets Commercial Building 2020 $	Lease Liability 2020 $	Right-of-use Assets Commercial Building 2019 $	Lease liability 2019 $
As at 1 January	390,057	390,658	543,990	543,990
Additions	-	-	-	-
Depreciation expense (Note 5)	(161,657)	-	(153,933)	-
Interest expense	-	15,943	-	23,668
Payments	-	(174,000)	-	(177,000)
As at 31 December	228,400	232,601	390,057	390,658

No right-of-use assets were subleased and there were no variable lease payments or sale-and-lease-back transactions for the year ended 31 December 2020. The following amounts were recognised within general expenses in the statement of comprehensive income:

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

13 Leases (continued)

The maturity of lease liabilities is as follows:

	2020 $	2019 $
Less than 1 year	172,231	158,057
Between 1 and 2 years	60,370	232,601
Total	232,601	390,658

14 Taxation

Corporation tax expense

	2020 $	2019 $
Current taxation	-	-
Deferred tax	2,408,414	577,685
Taxation charge	2,408,414	577,685

The tax on income before taxation differs from the theoretical amount that would arise using the corporation tax rate of 25% (2019 - 25%) for the following reasons:

	2020 $	2019 $
Income before taxation	2,422,632	2,240,651
Corporation tax at 25% (2019 - 25%)	605,658	560,163
Expenses not subject to tax	19,365	-
Tax loss not recognised	1,842,513	
Other	(59,122)	17,522
Tax charge for the year	2,408,414	577,685

Corporation tax payable

	2020 $	2019 $
Corporation tax refundable	(1,233,057)	(1,233,057)

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

14 Taxation (continued)

Deferred tax liability

Subject to agreement with the Inland Revenue Division, the Company has tax losses as at 31 December 2020 of $6,674,275 (2019 - $11,541,479) which may be carried forward and used to reduce taxable income in future years and for which no benefit has been recognized in these financial statements. The expiry dates for claiming these losses are 31 March 2023 ($2,334,873), and 31 March 2024 ($1,836,554) and March 2025 ($2,502,848). The Company has impaired the deferred tax asset by $1,842,513 on the taxable losses.

The net deferred tax liability is calculated in full on temporary differences under the liability method using a tax rate of 25%.

	2020 $	2019 $
Balance - beginning of year	16,021,974	15,444,289
Current year charge	2,408,414	577,685
Balance - end of year	18,430,388	16,021,974

The deferred tax liability on the statement of financial position consists of the following components:

	2020 $	2019 $
Accelerated tax depreciation	80,395,825	75,629,375
Tax losses	(6,674,275)	(11,541,479)
	73,721,550	64,087,896

15 Trade and other payables

	2020 $	2019 $
Trade payables	7,453,123	11,291,089
Accrued expenses	5,850,494	6,075,612
Social security and other taxes	220,449	221,106
	13,524,066	17,587,807

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

(continued)

16 Expenses by nature

	2020 $	2019 $
Fuel	28,442,229	35,778,491
Maintenance of plant	5,778,015	4,573,074
Employee benefits (excluding amounts charged to capital projects)	16,216,750	15,564,108
Depreciation (Note 5 and 13)	12,884,971	13,313,035
Insurance	4,459,674	3,376,938
Other expenses	7,277,714	7,376,134
Total operating expenses	75,059,353	79,981,780

Employee benefits comprise:	2020 $	2019 $
Wages and salaries	12,788,924	11,837,518
Social security costs	762,446	731,257
Pension (Note 22)	250,118	255,622
Other benefits	2,780,306	3,041,448
	16,581,794	15,865,845
Allocated as follows:		
Operating expenses	16,216,750	15,564,108
Capitalised	365,044	301,737
	16,581,794	15,865,845

17 Other income

	2020 $	2019 $
Amortization of deferred revenue	860,003	805,971
Currency exchange gain	17,485	32,246
Loss on disposal of plant and equipment	(254,601)	(55,100)
Other income	622,887	783,117

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

18 Finance and other cost

	2020 $	2019 $
Finance cost is comprised as follows:		
Loan interest charges	3,391,499	3,760,406
Customer deposit interest	59,612	62,650
	3,451,111	3,823,056
Deferred expense amortization	71,447	71,269
Finance and other cost	3,522,558	3,894,325

19 Operating revenue

	2020 $	2019 $
Domestic	26,469,090	24,127,818
Commercial	26,650,148	27,016,348
Industrial	2,219,785	2,394,162
Hotel	1,934,172	1,204,505
Street lighting	1,427,547	594,688
	58,700,742	55,337,521
Fuel Surcharge	21,326,712	29,332,264
	80,027,454	84,669,785
Other revenue	354,202	663,854
	80,381,656	85,333,639

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements

For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)

(continued)

20 Related party transactions

Key management compensation

	2020 $	2019 $
Salaries and other short-term benefits	1,719,502	1,774,395
Directors' fees	57,200	53,526
Post-employment benefit	96,729	54,786
	1,873,431	1,852,707

Other related party transactions

During the year, the Company engaged in transactions with its indirect parent Emera (Caribbean) Incorporated. These are expenses paid on behalf of the Company. These include insurance, consultancies, professional fees and corporate support. Total transactions with Emera (Caribbean) Incorporated for the year is $773,711 (2019 - $1,007,646).

	2020 $	2019 $
Due to Emera (Caribbean) Incorporated (ECI)	5,394,204	4,753,197

The amounts advanced by ECI have no fixed date of repayment and are interest-free.

21 Earnings per share

The earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of common shares in issue during the year.

	2020 $	2019 $
Net profit for the year	14,218	1,662,966
Weighted average number of common shares	10,417,328	10,417,328
Basic and diluted earnings per share (cents)	-	16

22 Retirement benefits

The Company operates a defined contribution plan. Pension cost for the year was $250,118 (2019 - $255,622).

DOMINICA ELECTRICITY SERVICES LIMITED

Notes to the Financial Statements
For the year ended 31 December 2020

(expressed in Eastern Caribbean dollars)
(continued)

23 Bank overdraft facilities

The Company entered into a credit agreement with National Bank of Dominica on 24 October 2011 to create a loan facility in the maximum aggregate principal amount of $83.6 million. Included under the facility is an overdraft facility with a limit of $3.0 million. In an effort to improve short-term liquidity, the Board of Directors approved an extension to the limit to $9.0 million up to 31 December 2020. As at 31 December 2020, the Company had utilized $3,369,114 (See Note 10) (2019 - Nil) of the facility.

24 Capital commitments

The Company budgeted capital expenditure of $16,924,424 (2019 - $17,360,024) for the 2020 income year. Additionally, a total of $7,954,040 of incomplete 2019 approved budget was included in 2020 to facilitate the completion of a number of ongoing projects. A total of $15,218,666 (2019 - $18,633,954) was contracted for at 31 December 2020.

25 Contingent liabilities

The Company is contingently liable in respect of various claims arising in the ordinary course of business. The amounts are considered negligible and are usually covered by insurance.

26 Covid-19

In 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Management considered the impact of COVID-19 in the Company's estimates and results. It is not possible to reliably estimate the length and severity of the COVID-19 pandemic and the impact on the financial results and condition of the Company in future periods.

OPERATING STATISTICS

CAPACITY & DEMAND (kW)	2020	2019	2018	2017	2016
Generating Plant Installed Capacity					
- Hydro	**6,640**	6,640	6,640	6,640	6,640
- Diesel	**20,100**	20,100	20,100	20,100	20,100
Total	**26,740**	26,740	26,740	26,740	26,740
Firm* Capacity					
- Hydro (Dry Season)	**3,200**	3,200	3,200	3,200	3,200
- Diesel	**14,860**	14,860	14,860	14,860	14,860
Total	**18,060**	18,060	18,060	18,060	18,060

*Capacity available during normal operation in a very dry month, assuming the largest thermal unit breaks down while another is out for maintenance.

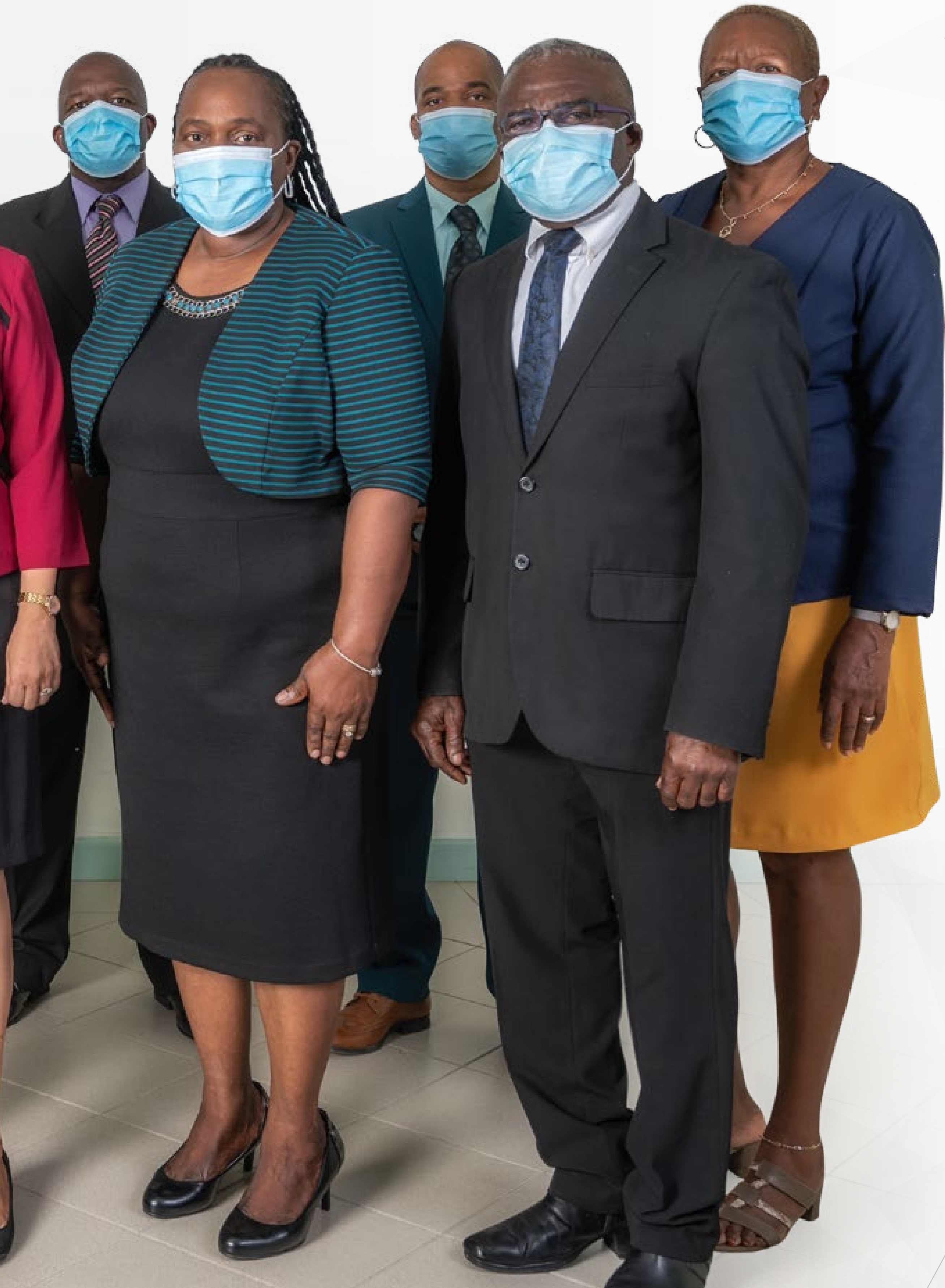
Peak Demand (kW)	**15,963**	15,680	12,920	18,010	17,766
Growth (%)	**1.8**	21.4	(28.3)	1.4	2.9
Load Factor = Average Demand/ Maximum Demand	**0.70**	0.68	0.58	0.54	0.72
ENERGY PRODUCED (kWh x 1000)					
Gross Generation					
- Hydro	**19,242**	20,152	24,180	27,152	36,367
- Diesel	**78,185**	73,029	41,224	58,495	75,422
Energy Purchased	**18**	13	7	90	114
Total	**97,445**	93,194	65,411	85,737	111,903
Growth (%)	**4.6**	42.5	(23.7)	(23.4)	4.5
Diesel Fuel Used in Generation					
Quantity (Imp.Gal)	**4,456,005**	4,184,277	2,372,105	3,299,289	4,217,167
Fuel Efficiency (kWh per Imp.Gal)	**17.5**	17.4	17.4	17.7	17.9

ENERGY SOLD (kWh x 1000)	2020	2019	2018	2017	2016
- Domestic	**40,780**	37,724	23,280	34,461	45,847
- Commercial	**36,409**	37,211	28,090	33,002	40,820
- Industrial	**3,461**	3,650	4,014	7,538	9,492
- Hotel	**2,825**	1,823	543	1,094	1,245
- Street Lighting	**2,027**	835	363	1,502	1,980
Total	**85,502**	81,243	56,290	77,597	99,384
Growth (%)	**5.2**	44.3	(27.5)	(21.9)	4.7
OWN USE & LOSSES (kWh x 1000)					
Power Station Use	**3,054**	3,089	2,374	2,691	3,298
Office Use	**517**	509	529	442	560
Losses	**8,373**	8,360	6,121	5,007	8,661
Losses (% of Gross Generation)	**8.6**	9.0	9.4	5.8	7.7
Losses (% of Net Generation)	**8.9**	9.3	9.7	6.0	8.0
NUMBER OF CUSTOMERS AT YEAR END					
- Domestic	**30,386**	27,655	23,437	4,329	31,913
- Commercial	**3,900**	3,514	2,992	737	4,198
- Industrial	**23**	23	31	28	40
- Hotel	**41**	36	26	10	33
- Street Lighting	**207**	168	102	1	283
Total	**34,557**	31,396	26,588	5,105	36,467
Growth (%)	**10.1**	18.1	420.8	(86.0)	1.9
No. of Full-Time Equivalent Employees	**226**	236	240	254	240
Number of Customers per Employee	**153**	133	111	20	152

FINANCIAL STATISTICS

	2020	2019	2018	2017	2016
Units Sold (kWh x 1000)	**85,502**	81,243	56,289	77,597	99,384
Revenue/Unit Sold (EC cents)	**93.60**	104.22	100.58	91.52	88.83
SUMMARIZED BALANCE SHEET (EC$ 000)					
Share Capital	**10,417**	10,417	10,417	10,417	10,417
Retained Earnings	**78,673**	79,701	78,038	80,543	93,023
Deferred Credits	**32,176**	29,628	26,878	28,484	29,490
Long Term Liabilities	**72,537**	80,571	71,116	36,569	24,500
	193,804	200,317	186,450	156,013	157,430
Fixed Assets (Net)	**180,575**	179,294	175,398	135,646	138,126
Current Assets	**43,891**	51,318	45,278	38,079	35,995
Current Liabilities	**(30,662)**	(30,295)	(34,226)	(17,712)	(16,691)
	193,804	200,317	186,450	156,013	157,430
OPERATING EXPENSES					
Fuel	**28,442**	35,778	20,590	24,798	27,285
Generation	**8,595**	7,676	5,401	8,520	9,497
General	**12,180**	11,942	11,790	15,158	14,036
Distribution	**8,498**	7,895	8,059	9,082	7,664
Depreciation	**12,885**	13,313	13,703	11,226	10,305
Insurance	**4,460**	3,377	2,308	1,825	2,098
	75,059	79,982	61,850	70,609	70,884

OPERATING REVENUE					
Electricity Sales	58,701	55,338	38,764	52,179	67,674
Fuel Surcharge	21,327	29,332	17,850	18,840	20,609
Other	354	664	122	1,513	625
	80,382	85,334	56,737	72,533	88,908
Operating Income	5,322	5,352	(5,113)	1,924	18,023
Interest Charges	(3,523)	(3,894)	(2,669)	(1,372)	(1,560)
Other Charges & Credits	(255)	(55)	2,727	(13,422)	80
Amortisation Of Capital Grants/Deferred Revenue	860	806	664	1,150	670
Gain On Insurance Claim	0	0	0	0	29
Foreign Exchange Gain/(Loss)	17	32	89	22	15
Taxation	(2,408)	(578)	1,798	2,343	(4,381)
Net Income	14	1,663	(2,505)	(9,355)	12,875
Dividend	1,042	0	0	3,125	4,167
Reinvested Earnings	(1,028)	1,663	(2,505)	(12,480)	8,708
Average Fixed Assets	179,934	177,346	155,522	136,886	133,763
Return On Average Fixed Assets	2.96%	3.02%	(3.29%)	1.41%	13.47%
Debt/Equity Ratio	47/53	48/52	46/54	28/72	20/80
Current Ratio	1.43	1.69	1.32	2.15	2.16
Collection Period (Days)	38	43	59	53	40



NOTES

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