

FORM ECSRC - Q

QUARTERLY REPORT

For the period ended March 31, 2021

Issuer Registration Number: DOMLEC30041975DM

DOMINICA ELECTRICITY SERVICES LIMITED

(Exact name of reporting issuer as specified in its charter)

DOMINICA

(Territory or jurisdiction of incorporation)

P.O. BOX 1593, 18 CASTLE STREET, ROSEAU, DOMINICA

(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): (767) 255 6000

Fax number: (767) 448 5397

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Financial Statements

Dominica Electricity Services Limited

UN-AUDITED BALANCE SHEET

AS AT MARCH 31, 2021

(expressed in Eastern Caribbean Dollars)

	March 2021	March 2020	December 2020
Assets			
Non-current assets			
Property, plant and equipment	178,882,230	179,168,859	180,346,203
Right of use asset	186,738	350,379	228,400
	179,068,968	179,519,237	180,574,603
Current assets			
Cash and cash equivalents	4,583,888	4,998,492	9,817,752
Trade and other receivables	14,956,408	19,096,693	12,969,781
Inventories	20,423,782	20,182,683	19,870,067
Corporation tax recoverable	1,233,056	1,233,056	1,233,057
	41,197,134	45,510,926	43,890,657
	220,266,103	225,030,163	224,465,260
Equity			
Share capital	10,417,328	10,417,328	10,417,328
Retained earnings	79,729,807	80,376,707	78,673,263
	90,147,135	90,794,035	89,090,591
Non-current liabilities			
Borrowings	66,675,621	74,909,132	68,775,881
Customers' deposit	3,751,390	3,656,641	3,761,442
Long-term lease liability	15,187	191,839	60,370
Deferred credit	13,669,815	13,513,156	13,684,847
Deferred tax liability	18,763,361	16,247,282	18,430,388
	102,875,374	108,518,051	104,712,928
Current liabilities			
Trade and other payables	13,314,554	12,671,705	13,524,066
Short-term lease liability	176,653	160,041	172,231
Due to related party	5,447,469	4,988,139	5,394,204
Current portion of borrowings	8,304,918	7,898,193	11,571,240
	27,243,593	25,718,077	30,661,741
	220,266,103	225,030,163	224,465,260

Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED MARCH 31, 2021
(expressed in Eastern Caribbean dollars)

	March 2021 \$	March 2020 \$	December 2020 \$
Revenue			
Operating Revenue	19,669,173	21,272,409	80,381,656
Operating Expenses			
Fuel	7,171,073	8,757,474	28,442,229
Generation	1,169,424	1,764,288	8,595,421
General	2,718,425	2,699,219	12,179,531
Engineering and distribution	1,999,527	1,986,689	8,497,527
Insurance	1,128,206	975,016	4,459,674
Depreciation	3,437,789	3,384,377	12,884,971
	17,624,444	19,567,063	75,059,353
Operating income	2,044,729	1,705,346	5,322,303
Finance and other income	154,791	163,750	622,887
Finance and other costs	(810,002)	(967,858)	(3,522,558)
Income before taxation	1,389,518	901,238	2,422,632
Taxation	(332,974)	(225,310)	(2,408,414)
Net income being comprehensive income for the year	1,056,544	675,929	14,218
Basic and diluted earnings per share (cents)	0.10	0.06	0.00

DOMINICA ELECTRICITY SERVICES LIMITED

UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE QUARTER ENDED MARCH 31, 2021
(expressed in Eastern Caribbean Dollars)

Share capital	March 2021	March 2020	December 2020
Ordinary shares, beginning and end of period	10,417,328	10,417,328	10,417,328
Retained earnings			
At beginning of period	78,673,263	79,700,778	79,700,778
Net income/(loss) for the period	1,056,544	675,929	14,218
Ordinary dividends (declared)			(1,041,733)
At end of period	79,729,807	80,376,707	78,673,263
Shareholders' equity, end of period	90,147,135	90,794,035	89,090,591

Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED MARCH 31, 2021

(expressed in Eastern Caribbean Dollars)

	March 2021 \$	March 2020 \$	December 2020 \$
Cash flows from operating activities			
Net income/(loss) before tax	1,389,518	901,238	2,422,632
Adjustments for:			
Depreciation	3,437,789	3,384,377	12,884,971
Loss/(Gain) on foreign exchange	2,807	26,880	(17,485)
Loss/(Gain) on disposal of property, plant and	53,526	11,236	254,601
Provision for inventory obsolescence	62,499	67,500	992,357
Finance costs	756,476	956,622	3,522,558
Amortization of deferred revenue	(151,984)	(136,870)	(860,003)
Net change in provision for other liabilities and charges	(452,209)	(428,031)	342,549
Operating income before working capital changes	5,098,422	4,782,951	19,542,180
(Increase)/decrease in receivables and prepayments	(1,986,627)	(3,555,646)	2,683,723
Increase in inventories	(616,215)	(165,691)	(777,935)
Decrease in accounts payable and accruals	(97,493)	(4,402,986)	(4,697,216)
Increase in due to related parties	437,296	234,941	641,007
Cash generated from/(used in) operations	2,835,382	(3,106,430)	17,391,759
Finance cost paid	(756,476)	(956,622)	(3,214,147)
Income tax paid	-	-	-
Net cash from operating activities	2,078,906	(4,063,052)	14,177,612
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,039,530)	(3,610,112)	(14,468,510)
Proceeds on disposal of property, plant and equipment	7,202	(11,236)	47,841
Net cash used in investing activities	(2,032,328)	(3,621,348)	(14,420,669)
Cash flows from financing activities			
Dividends paid	-	-	(1,041,733)
Repayment of borrowings	(1,997,467)	(1,897,398)	(7,726,715)
Payment of principal portion of lease liability	(40,762)	(38,778)	(158,057)
Customers' contribution	136,952	277,270	1,171,602
Customers' deposits (net)	(10,052)	(5,452)	99,348
Net cash used in financing activities	(1,911,329)	(1,664,358)	(7,655,555)
Net decrease in cash and cash equivalents	(1,864,751)	(9,348,758)	(7,898,612)
Cash and cash equivalents, beginning of period	6,448,638	14,347,250	14,347,250
Cash and cash equivalents, end of period	4,583,888	4,998,492	6,448,638

Notes to the Financial Statement for the Quarter ending March 31, 2021

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.

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, 2020.