

FORM ECSRC - Q

QUARTERLY REPORT
For the period ended June 30, 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

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Financial Statements

Dominica Electricity Services Limited

UN-AUDITED BALANCE SHEET

AS AT JUNE 30, 2021

(expressed in Eastern Caribbean Dollars)

	June 2021	June 2020	December 2020
Assets			
Non-current assets			
Property, plant and equipment	178,241,120	179,323,851	180,346,203
Right of use asset	144,562	310,214	228,400
	178,385,681	179,634,065	180,574,603
Current assets			
Cash and cash equivalents	3,452,587	5,332,932	9,817,752
Trade and other receivables	18,093,760	18,167,220	12,969,781
Inventories	21,570,668	21,416,890	19,870,067
Corporation tax recoverable	1,233,056	1,233,056	1,233,057
	44,350,072	46,150,099	43,890,658
	222,735,753	225,784,164	224,465,260
Equity			
Share capital	10,417,328	10,417,328	10,417,328
Retained earnings	80,556,995	81,067,175	78,673,263
	90,974,323	91,484,503	89,090,591
Non-current liabilities			
Borrowings	65,655,141	72,893,135	68,775,881
Customers' deposit	3,731,859	3,662,637	3,761,442
Long-term lease liability	-	149,063	60,370
Deferred credit	13,994,648	13,522,453	13,684,847
Deferred tax liability	19,039,091	16,477,439	18,430,388
	102,420,739	106,704,727	104,712,928
Current liabilities			
Trade and other payables	16,433,537	14,262,371	13,524,067
Short-term lease liability	149,063	163,553	172,231
Due to related party	5,447,469	5,170,860	5,394,204
Current portion of borrowings	7,310,623	7,998,150	11,571,240
	29,340,691	27,594,933	30,661,742
	222,735,753	225,784,164	224,465,260

Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED JUNE 30, 2021
(expressed in Eastern Caribbean dollars)

	June 2021 \$	June 2020 \$	December 2020 \$
Revenue			
Operating Revenue	43,008,400	40,086,783	80,381,656
Operating Expenses			
Fuel	16,786,845	15,192,687	28,442,229
Generation	2,868,098	3,189,361	8,595,421
General	5,891,072	5,420,265	12,179,531
Engineering and distribution	4,431,452	4,053,490	8,497,527
Insurance	2,372,381	2,166,667	4,459,674
Depreciation	6,928,207	6,676,163	12,884,971
	39,278,054	36,698,633	75,059,353
Operating income	3,730,346	3,388,150	5,322,303
Finance and other income	244,981	295,982	622,887
Finance and other costs	(1,482,891)	(1,862,268)	(3,522,558)
Income before taxation	2,492,435	1,821,863	2,422,632
Taxation	(608,704)	(455,466)	(2,408,414)
Net income being comprehensive income for the year	1,883,732	1,366,397	14,218
Basic and diluted earnings per share (cents)	0.18	0.13	0.00

DOMINICA ELECTRICITY SERVICES LIMITED

UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE QUARTER ENDED JUNE 30, 2021
(expressed in Eastern Caribbean Dollars)

Share capital	June 2021	June 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 for the period	1,883,732	1,366,397	14,218
Ordinary dividends (declared)			(1,041,733)
At end of period	80,556,995	81,067,175	78,673,263
Shareholders' equity, end of period	90,974,323	91,484,503	89,090,591

Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED JUNE 30, 2021

(expressed in Eastern Caribbean Dollars)

	June 2021 \$	June 2020 \$	December 2020 \$
Cash flows from operating activities			
Net income before tax	2,492,435	1,821,863	2,422,632
Adjustments for:			
Depreciation	6,928,207	6,676,163	12,884,971
Loss/(Gain) on foreign exchange	4,967	7,062	(17,485)
Loss/(Gain) on disposal of property, plant and	64,501	(7,964)	254,601
Provision for inventory obsolescence	124,998	120,000	992,357
Finance costs	1,482,891	1,834,442	3,522,558
Amortization of deferred revenue	(304,515)	(288,920)	(860,003)
Net change in provision for other liabilities and charges	53,983	160,451	342,549
Operating income before working capital changes	10,847,467	10,323,097	19,542,180
(Increase)/decrease in receivables and prepayments	(4,695,041)	(2,626,172)	2,683,723
Increase in inventories	(1,825,600)	(1,452,398)	(777,935)
Increase/(decrease) in accounts payable and accruals	1,882,515	(3,380,493)	(4,697,216)
Increase in due to related parties	638,980	417,662	641,007
Cash generated from operations	6,848,321	3,281,697	17,391,759
Finance cost paid	(1,482,891)	(1,834,442)	(3,214,147)
Income tax paid	-	-	-
Net cash from operating activities	5,365,430	1,447,255	14,177,612
Cash flows from investing activities			
Purchase of property, plant and equipment	(4,874,236)	(7,016,726)	(14,468,510)
Proceeds on disposal of property, plant and equipment	23,802	7,964	47,841
Net cash used in investing activities	(4,850,434)	(7,008,762)	(14,420,669)
Cash flows from financing activities			
Dividends paid	-	-	(1,041,733)
Repayment of borrowings	(4,012,243)	(3,813,437)	(7,726,715)
Payment of principal portion of lease liability	(83,538)	(78,043)	(158,057)
Customers' contribution	614,317	438,125	1,171,602
Customers' deposits (net)	(29,583)	544	99,348
Net cash used in financing activities	(3,511,047)	(3,452,811)	(7,655,555)
Net decrease in cash and cash equivalents	(2,996,052)	(9,014,318)	(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	3,452,587	5,332,932	6,448,638

Notes to the Financial Statement for the Quarter ending June 30, 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.