

FORM ECSRC - Q

QUARTERLY REPORT
For the period ended June 30, 2022

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

Email address: domlec@domlec.dm

1. Financial Statements

Dominica Electricity Services Limited

UN-AUDITED BALANCE SHEET

AS AT JUNE 30, 2022

(expressed in Eastern Caribbean Dollars)

	June 2022	June 2021	December 2021
Assets			
Non-current assets			
Property, plant and equipment	179,858,257	178,241,120	179,794,030
Right of use asset	(0)	144,562	58,569
	<u>179,858,256</u>	<u>178,385,681</u>	<u>179,852,599</u>
Current assets			
Cash and cash equivalents	808,910	3,452,587	9,575,876
Trade and other receivables	27,945,104	18,093,760	15,672,034
Inventories	21,204,564	21,570,668	22,469,166
Corporation tax recoverable	1,177,549	1,233,056	1,177,549
	<u>51,136,128</u>	<u>44,350,072</u>	<u>48,894,625</u>
	<u>230,994,384</u>	<u>222,735,753</u>	<u>228,747,224</u>
Equity			
Share capital	10,417,328	10,417,328	10,417,328
Retained earnings	82,159,397	80,556,995	82,183,146
	<u>92,576,725</u>	<u>90,974,323</u>	<u>92,600,474</u>
Non-current liabilities			
Borrowings	69,695,895	65,655,141	64,795,772
Customers' deposit	3,628,216	3,731,859	3,584,946
Long-term lease liability	-	-	-
Deferred credit	15,603,519	13,994,648	15,283,272
Deferred tax liability	19,996,796	19,039,091	20,004,712
	<u>108,924,425</u>	<u>102,420,739</u>	<u>103,668,702</u>
Current liabilities			
Trade and other payables	27,932,294	16,433,537	15,437,198
Short-term lease liability	-	149,063	60,370
Due to related party	-	5,447,469	5,728,906
Current portion of borrowings	1,560,940	7,310,623	11,251,574
	<u>29,493,234</u>	<u>29,340,691</u>	<u>32,478,048</u>
	<u>230,994,384</u>	<u>222,735,753</u>	<u>228,747,224</u>

Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED JUNE 30, 2022
(expressed in Eastern Caribbean dollars)

	June 2022 \$	June 2021 \$	December 2021 \$
Revenue			
Operating Revenue	54,065,107	43,008,400	92,049,593
Operating Expenses			
Fuel	28,072,936	16,786,845	38,352,369
Generation	3,515,262	2,868,098	7,069,692
General	6,742,444	5,891,072	12,843,679
Engineering and distribution	4,107,077	4,431,452	8,586,978
Insurance	3,133,849	2,372,381	4,983,335
Depreciation	7,547,690	6,928,207	13,190,898
	53,119,258	39,278,054	85,026,951
Operating income	945,850	3,730,346	7,022,642
Finance and other income	361,358	244,981	862,002
Finance and other costs	(1,338,873)	(1,482,891)	(2,800,437)
Income before taxation	(31,665)	2,492,435	5,084,207
Taxation	7,917	(608,704)	(1,574,324)
Net income being comprehensive income for the year	(23,749)	1,883,732	3,509,883
Basic and diluted earnings per share (cents)	(0.00)	0.18	0.34

DOMINICA ELECTRICITY SERVICES LIMITED

UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE QUARTER ENDED JUNE 30, 2022
(expressed in Eastern Caribbean Dollars)

Share capital	June 2022	June 2021	December 2021
Ordinary shares, beginning and end of period	10,417,328	10,417,328	10,417,328
Retained earnings			
At beginning of period	82,183,146	78,673,263	78,673,263
Net income for the period	(23,749)	1,883,732	3,509,883
Ordinary dividends (declared)			
At end of period	82,159,397	80,556,995	82,183,146
Shareholders' equity, end of period	92,576,725	90,974,323	92,600,474

Dominica Electricity Services Limited

UN-AUDITED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED JUNE 30, 2022

(expressed in Eastern Caribbean Dollars)

	June 2022 \$	June 2021 \$	December 2021 \$
Cash flows from operating activities			
Net (loss) income before tax	(31,665)	2,492,435	5,084,207
Adjustments for:			
Depreciation	7,547,690	6,928,207	13,190,898
Loss/(Gain) on foreign exchange	(54,655)	4,967	(16,175)
Loss/(Gain) on disposal of property, plant and	(43,013)	64,501	96,569
Provision for inventory obsolescence	124,998	124,998	564,004
Finance costs	1,338,873	1,482,891	2,800,437
Amortization of deferred revenue	(372,999)	(304,515)	(942,396)
Net change in provision for other liabilities and charges	923,505	53,983	(614,331)
Operating income before working capital changes	9,432,734	10,847,467	20,163,213
Increase in receivables and prepayments	(12,273,070)	(4,695,041)	(2,702,253)
Decrease/ (increase) in inventories	1,139,604	(1,825,600)	(3,163,103)
Increase in accounts payable and accruals	11,332,004	1,882,515	2,281,602
(Decrease)/increase in due to related parties	(5,728,906)	638,980	334,702
Cash generated from operations	3,902,365	6,848,321	16,914,161
Finance cost paid	(1,044,633)	(1,482,891)	(2,538,400)
Income tax paid	-	-	55,508
Net cash from operating activities	2,857,732	5,365,430	14,431,269
Cash flows from investing activities			
Purchase of property, plant and equipment	(7,595,201)	(4,874,236)	(12,628,670)
Proceeds on disposal of property, plant and equipment	84,866	23,802	63,207
Net cash used in investing activities	(7,510,335)	(4,850,434)	(12,565,463)
Cash flows from financing activities			
Proceeds from borrowings	5,442,390	-	-
Repayment of borrowings	(3,036,879)	(4,012,243)	(8,126,683)
Payment of principal portion of lease liability	(60,370)	(83,538)	(172,231)
Customers' contribution	693,246	614,317	2,540,821
Customers' deposits (net)	43,269	(29,583)	(176,496)
Net cash used in financing activities	3,081,657	(3,511,047)	(5,934,589)
Net decrease in cash and cash equivalents	(1,570,946)	(2,996,052)	(4,068,783)
Cash and cash equivalents, beginning of period	2,379,855	6,448,638	6,448,638
Cash and cash equivalents, end of period	808,910	3,452,587	2,379,855

Notes to the Financial Statement for the Quarter ending June 30, 2022

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.

The Government of Dominica owns 52% of the ordinary share capital of the Company. The Dominica Social Security owns 20% of the ordinary share capital, while 28% 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, 2021.