

**FORM ECSRC - Q**

**QUARTERLY REPORT**

For the period ended September 30, 2023

Issuer Registration Number: DOMLEC30041975DM

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**DOMINICA ELECTRICITY SERVICES LIMITED**

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

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**DOMINICA**

(Territory or jurisdiction of incorporation)

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**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 SEPTEMBER 30, 2023

(expressed in Eastern Caribbean Dollars)

	September 2023	September 2022	December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>181,042,128</b>	181,149,054	183,513,179
	<b>181,042,128</b>	181,149,054	183,513,179
<b>Current assets</b>			
Cash and cash equivalents	<b>4,381,259</b>	7,570,949	7,081,569
Trade and other receivables	<b>22,357,802</b>	21,986,370	17,159,695
Inventories	<b>23,364,065</b>	19,033,195	20,808,577
Corporation tax recoverable	<b>1,177,549</b>	1,177,549	1,177,549
	<b>51,280,676</b>	49,768,064	46,227,390
	<b>232,322,804</b>	230,917,117	229,740,569
<b>Equity</b>			
Share capital	<b>10,417,328</b>	10,417,328	10,417,328
Retained earnings	<b>82,490,906</b>	81,145,478	80,536,536
	<b>92,908,234</b>	91,562,806	90,953,864
<b>Non-current liabilities</b>			
Borrowings	<b>62,360,124</b>	67,524,916	66,243,238
Customers' deposit	<b>3,718,033</b>	3,665,591	3,680,627
Deferred credit	<b>16,170,181</b>	15,506,374	15,280,616
Deferred tax liability	<b>21,416,286</b>	19,980,102	20,764,829
	<b>103,664,625</b>	106,676,984	105,969,310
<b>Current liabilities</b>			
Trade and other payables	<b>19,924,265</b>	18,984,313	20,035,059
Current portion of borrowings	<b>15,825,681</b>	13,693,011	12,782,336
	<b>35,749,946</b>	32,677,324	32,817,395
	<b>232,322,804</b>	230,917,117	229,740,569

## Dominica Electricity Services Limited

### UN-AUDITED STATEMENT OF INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

(expressed in Eastern Caribbean dollars)

	September 2023	September 2022	December 2022
	\$	\$	\$
<b>Revenue</b>			
Operating Revenue	<b>81,618,961</b>	84,923,198	112,231,136
<b>Operating Expenses</b>			
Fuel	<b>38,812,421</b>	45,207,329	59,023,007
Generation	<b>5,092,521</b>	6,067,380	8,307,792
General	<b>8,923,813</b>	9,939,583	13,848,501
Engineering and distribution	<b>6,280,277</b>	6,382,752	8,713,821
Insurance	<b>7,035,885</b>	5,226,889	7,249,540
Depreciation	<b>11,218,757</b>	10,889,286	14,059,877
	<b>77,363,673</b>	83,713,219	111,202,538
<b>Operating income</b>	<b>4,255,288</b>	1,209,979	1,028,598
Finance and other income	<b>874,351</b>	648,604	1,811,568
Finance and other costs	<b>(2,523,811)</b>	(2,092,882)	(2,898,681)
<b>Income(Loss) before taxation</b>	<b>2,605,828</b>	(234,299)	(58,515)
Taxation	<b>(651,458)</b>	58,576	(726,151)
<b>Net income/(loss) being comprehensive income/ (loss) fo</b>	<b>1,954,370</b>	(175,724)	(784,666)
<b>Basic and diluted earnings per share (cents)</b>	<b>0.19</b>	(0.02)	(0.08)

## DOMINICA ELECTRICITY SERVICES LIMITED

### UN-AUDITED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

(expressed in Eastern Caribbean Dollars)

Share capital	September 2023	September 2022	December 2022
Ordinary shares, beginning and end of period	<b>10,417,328</b>	10,417,328	10,417,328
<b>Retained earnings</b>			
At beginning of period	<b>80,536,536</b>	81,321,202	81,321,202 (As restated)
Net income for the period	<b>1,954,370</b>	(175,724)	(784,666)
Ordinary dividends (declared)			
At end of period	<b>82,490,906</b>	81,145,478	80,536,536
Shareholders' equity, end of period	<b>92,908,234</b>	91,562,806	90,953,864

## Dominica Electricity Services Limited

### UN-AUDITED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED SEPTEMBER 30, 2023

(expressed in Eastern Caribbean Dollars)

	September 2023 \$	September 2022 \$	December 2022 \$
<b>Cash flows from operating activities</b>			
Net income/(loss) before tax	2,605,827	(234,299)	(58,515)
Adjustments for:			
Depreciation	11,218,757	10,889,286	14,059,877
Loss/(Gain) on foreign exchange	24,285	(28,100)	3,191
Loss/(Gain) on disposal of property, plant and	3,731	(50,757)	(394,812)
Provision for inventory obsolescence	187,497	187,497	787,785
Finance costs	2,523,811	2,092,882	2,898,681
Amortization of deferred revenue	(853,797)	(625,947)	(1,055,312)
CDB operating grants	-	-	(364,635)
Net change in provision for other liabilities and charges	404,222	(15,324)	(838,916)
Operating income before working capital changes	16,114,333	12,215,238	15,037,344
Increase in receivables and prepayments	(5,198,107)	(6,314,336)	(1,487,661)
(Increase)/decrease in inventories	(2,742,985)	3,248,474	872,804
(Decrease)/increase in accounts payable and accruals	(655,409)	3,216,115	5,015,898
Decrease in due to related parties	-	(5,728,906)	(5,728,906)
Cash generated from operations	7,517,832	6,636,584	13,709,479
Finance cost paid	(2,407,702)	(1,718,460)	(2,480,995)
Net cash from operating activities	5,110,130	4,918,125	11,228,484
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(8,771,641)	(13,071,618)	(18,618,763)
Proceeds on disposal of property, plant and equipment	20,204	108,658	465,138
Net cash used in investing activities	(8,751,438)	(12,962,960)	(18,153,625)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	-	5,442,390	5,442,390
Repayment of borrowings	(2,033,021)	(3,399,024)	(3,770,068)
Payment of principal portion of lease liability	-	(60,370)	(60,370)
Customers' contribution	1,743,362	849,050	1,052,656
CDB grant received	-	-	364,635
Customers' deposits (net)	37,406	80,645	95,681
Net cash (used in)/ generated from financing activities	(252,253)	2,912,691	3,124,924
<b>Net decrease in cash and cash equivalents</b>	(3,893,560)	(5,132,145)	(3,800,217)
<b>Cash and cash equivalents, beginning of period</b>	(1,420,362)	2,379,855	2,379,855
<b>Cash and cash equivalents, end of period</b>	(5,313,922)	(2,752,289)	(1,420,362)

## **Notes to the Financial Statement for the Quarter ending September 30, 2023**

### **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 which was purchased by the Government of the Commonwealth of Dominica on April 1<sup>st</sup> 2022, 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 Company’s financial statements are disclosed in Note 4 of the Financial Statement as at, and for the year ended December 31, 2022.