

**Schedule 1**

**FORM ECSRC – K**

**ANNUAL REPORT  
PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT**

For the financial year ended: **31<sup>st</sup> December, 2020**

Issuer Registration number: **ANGLEC11011991AG**

Name of reporting issuer: **Anguilla Electricity Company Limited**

Territory of incorporation: **Anguilla**

Address of principal office: **The Quarter, Anguilla**

Reporting issuer's:

Telephone number (including area code): **(264) 497 5200**

Fax number: **(264) 497 5440**

Email address: **info@anglec.com**

Indicate whether the reporting issuer has filed all reports required to be filed by Sections 98 of the Securities Act of 2001 during the preceding 12 months: **No, extension of deadline to file was granted**

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

<b>CLASS</b>	<b>NUMBER</b>
Ordinary	11,636,147

**SIGNATURES**

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer (Ag.):

**MR. PETER LAMONTAGNE**



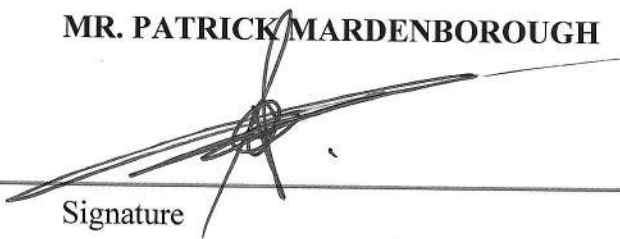
Signature

2 November 2021

Date

Name of Director:

**MR. PATRICK MARDENBOROUGH**



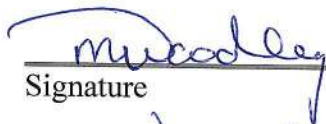
Signature

08/11/2021

Date

Name of Chief Financial Officer (Ag.):

**MS. MAUREEN WOODLEY**



Signature

2 November 2021

Date

## REPORT

### **1. Business.**

Implementation strategies for Automated Metering Infrastructure were developed to improve operating efficiency while reducing meter reading costs.

### **2. Properties.**

- (1) Land at Corito Power Station consisting of 4.5 acres
- (2) Main building at Corito housing all generating units and a Generation Maintenance Workshop
- (3) Building at Corito housing the Transmission and Distribution Department
- (4) Vehicle Maintenance Garage.
- (5) Stores Department warehouse
- (6) West End Substation
- (7) Corito Substation

### **3. Legal Proceedings:**

NONE

### **4. Submission of Matters to a Vote of Security Holders.**

### **5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.**

Anglec is not a listed company. No securities were sold during the period.

### **6. Financial Statements and Selected Financial Data.**

Financial Statements are attached herewith.

### **7. Disclosure about Risk Factors.**

The Company has exposure to various risks. The list of operational and financial risks that impact the Company and listed below are not an exclusive lists, but identifies those that have a higher probability of occurrence or material impact. Those risks are credit risk, liquidity risk,

market risk, capital management, weather/disaster and business continuity risks, insurance risks, reputational risks, sabotage, fraud, emerging technologies, etc.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### Consumer Group Concentration

ANGLEC's largest consumer groups are the Hotels and Government sectors which contribute approximately 35% and 17% of our sales, respectively. A significant decline revenue earnings capability in either of the two sectors can adversely impact the revenue earning stream, profitability and cash flow of ANGLEC.

#### Natural Disasters

The Company's Transmission and Distribution network is insured. Each year the Company makes a Premium payment to CCRIF. Claims against these funds are made based upon events (natural disasters or other events) impact the network on a large scale. The growth and stability of Anguilla's economy is significantly affected by hurricanes and other natural disasters. Network damage from a serious hurricane can have an adverse effect on the company's earnings, however the company has a Business Interruption Insurance Policy which is intended to reduce such risks.

#### Large Consumers Inability to Pay

ANGLEC's largest consumer groups are the Hotels and Government sectors which contribute approximately 35% and 17% of our sales, respectively. A significant decline revenue earnings capability in either of the two sectors can adversely impact the revenue earning stream, profitability and cash flow of ANGLEC.

Short and medium term cessation of payments of electricity bills by either of the two large sectors above can impact severely the cash flow sustainability of the company. Delayed payment or non-payment of the Government of Anguilla and two major Hotels were a challenge during the latter part of the year.

## Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. Approximately 18 percent of the company's revenue is attributable to sales transactions with a single customer.

## Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains a line of credit with a limit of EC\$3.2 million with the National Commercial Bank of Anguilla Limited with an interest rate of 9.2% per annum. The cash resources of the company have to be prudently managed due to the number of large cash payments needed for the operation of the business.

## **8. Changes in Securities and Use of Proceeds.**

No shareholder rights were modified during 2020.

## **9. Defaults Upon Senior Securities.**

There has been no default in payment of any securities, dividends nor any indebtedness or loans due by the Company.

## **10. Management's Discussion and Analysis of Financial Condition and Results of Operation.**

### Revenues and Net Income

The Statement of Comprehensive Income for the year ended 31 December, 2020 is reporting total revenues of EC\$ 59,331 as compared with EC\$ 75,822 Million (M) in 2019, a negative variance of some EC\$ 16,491 M, or 22 % between the two periods.

We note that the Energy sales for 2020 are being reported at EC\$ 47,995 M, as compared with the 2019 total of EC\$ 52,729 M, or negative EC\$ 4,734 M or 10 % below 2019. This decrease in energy sales was primarily due to the decrease in KWH of electricity units sold. We sold 90,031 M KWHs of electricity in 2019 while selling 80,480 M KWH in 2020, a 9,551 M KWH difference or 12 % decrease 2020/2019. As a percentage of total Gross Revenues, Energy sales accounted for 81 % of the total revenue in 2020, whereas the ratio was 70 % in 2019.

We are reporting a significant decrease under the Fuel Surcharge recovery income by some EC\$ 11,756 M, or 50 % between 2020/2019. We recovered EC\$ 11,336 M in fuel as compared with EC\$ 23,092 M in 2019.

During 2020 the fuel surcharge rate charged to customers was decreased over time to 0.08 cents.

As a percentage of total Gross revenues, Fuel surcharge recoveries accounted for 19 % in 2020, whilst 30 % in 2019.

Net Income decreased from EC\$ 4.5 M in 2019 to EC\$ 2.5 million in 2020, a decrease of EC\$ 2.0 million. The major cause of this decrease was due to COVID-19.

The Total Comprehensive Income for 2020 was EC\$ 2.5 million as compared with EC\$ 4.5 million in 2019, a negative variance, year on year, of EC\$2.0 million.

### Operating Costs

Total operating cost for the year ended 2020 is being reported at EC\$ 49 million, whilst that for 2019 was EC\$ 61 million, this was a positive difference of EC\$ 12 million or 25% 2020/2019. Total fuel cost for 2020 was EC\$ 18 million as compared with EC\$ 20 million in 2019, representing a difference year on year of EC\$ 2 million, or 12 %. The total fuel cost for 2020 accounted for 48 % of the total revenue generated, that for 2019 was 52 %.

Other Generation cost for 2020 was EC\$ 11.1 million as compare with EC\$ 10.9 million in 2019, a slight increase in cost of EC\$0.20 M, or 2 %. Other Generation cost as a function of revenue was 19 % (2020)

### Fuel Cost

Fuel cost is the single major cost incurred by the company. It accounted for 48 % as a function of our revenues. In 2019 it accounted for 52%. We noted during the year under review that the average cost per imperial gallon (IG) of gasoil fuel was EC\$ 6.23, by way of comparison it was EC\$ 7.30 in 2019, this represents a decrease of EC\$1.07 per IG or 18 % between the two years. Further, we consumed 4.9 million IG of fuel in 2020, as compared with 5.3 million IG in 2019, a negative variance of 1M IG, or 9% 2020/2019.

### Other Generation

Other Generation cost, i.e. Generation cost excluding fuel, was reported at EC\$ 11.1 million in 2020 as compared with EC\$ 10.9 million in 2019, a negative variance of EC\$0.20 M, or 2%.

### Transmission and Distribution

We reported total Transmission and Distribution cost of EC\$ 10 million in 2020 as compared with EC\$ 10.4 million in 2019, a decrease in cost, or positive variance, to the company of EC\$ 0.4M or 4 %, year on year.

## Operating Expenses

Total Operating Expenses, comprised of Administrative Expenses and Customer Services, was reported at EC\$ 13.0 million in 2020 as compared with EC\$ 13 million in 2019

## Finance Cost

Finance cost decreased between 2020 and 2019 by EC\$ 100 thousand, or 12%, from 2020-EC\$ 889 thousand to 2019-EC\$ 989 thousand.

## Capital Expenditures

The need to continue investing to improve the efficiency of our operations, particularly in the Generation, Transmission and Distribution areas are of the highest importance. This year capital expenditures of EC\$ 7.5 million were expended as follows:

Building	EC\$4.7million
Property, Plant & Equipment	EC\$ 2.8 million
	-----
	EC\$ 7.5 million
	=====

## Earnings per Share+ Dividends

Earnings per share increased from EC\$0.39 in 2019 to EC\$0.22 in 2020. Because of the downturn expected due to Covid 19 no dividends will be proposed for 2020.

**11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.**

**12. Directors and Executive Officers of the Reporting Issuer.**

## **EXECUTIVE OFFICERS**

**Name:** Mr. Peter LaMontagne FCCA, CAT, CFE, FACB

**Position:** Chief Executive Officer (Ag.)

**Age:** 54

**Telephone No.:** 264-476-4125

**Mailing Address:** c/o P.O. Box 400, The Valley, Anguilla, AI 2640

Mr. Lamontagne was appointed Chief Executive Officer on 26<sup>th</sup> May, 2019. Mr. Lamontagne has over 20 years experience in Accounting and Finance. Prior to joining ANGLEC, Mr. Lamontagne was the Accountant/Asst. General Manager/Compliance Officer of Nagico Insurance Company Limited in Anguilla. He was responsible for the Accounting departments in Anguilla, Grenada, St. Lucia and Dominica.

Mr. Lamontagne is a Fellow of the Association of Certified Chartered Accountants and of the Association of Certified Bookkeepers. He is also a Certified Fraud Examiner and a Chartered Accounting Technician.

Also a Director of the company       Yes       No



**Name:** Mrs. Jeri A. Richardson Charles, Attorney at Law, Accr. Director

**Position:** Corporate Secretary

**Age:** 43

**Telephone No.:** 264-235-3048

**Mailing Address:** P.O. Box 866, North Hill, Anguilla, AI2640

Mrs. Jeri Richardson Charles holds a Bachelor of Laws Degree (LLB) with Honours from the University of East London and a Postgraduate Diploma - Bar Vocational Course (BVC) from the University of Northumbria at Newcastle, following completion of an Associates Degree in Legal Studies at the H. Lavity Stoutt Community College and The University of the West Indies School of Continuing Studies, Paraquita Bay, Tortola, in 2006. Ms. Richardson was admitted into the Honourable Society of Lincoln's Inn on 29<sup>th</sup> October 2008, was called to the Bar of England and Wales on 25<sup>th</sup> November, 2010 and then called to the Bar in Anguilla on June 21, 2011. Ms. Richardson worked with the Law Firm of Keithley Lake & Associates and with the Government of Anguilla before beginning her formal education. Ms. Richardson was appointed Corporate Secretary effective April 1<sup>st</sup>, 2011. Ms. Richardson manages the company's corporate secretarial portfolio which includes providing strategic, legal and operational support to the Board of Directors.

Also a Director of the company       Yes       No

### **DIRECTORS OF THE COMPANY**

**Name:** Mr. Jerome Roberts

**Position:** Purchasing Manager, Zemi Beach House Resort & Spa

**Age:** 51

**Telephone No.:** 264-476-4673 / 584-2230

**Mailing Address:** East End, Anguilla

Mr. Jerome Roberts is presently employed at Zemi Beach House Resort & Spa as Purchasing Manager. Mr. Roberts served as Minister of Home Affairs and Education for the Government of Anguilla 2010-2015. He has served in active leadership roles for numerous Non-Governmental Organizations on island and continues to work with the Cub Scout section of the Scout Organization.

**Name:** Mr. Evan Gumbs

**Position:** Self Employed, Highway Tyre Service

**Age:** 56

**Telephone No.:** 264-584-2092

**Mailing Address:** P.O. Box 874, The Valley, Anguilla, AI2640

Mr. Evan Gumbs is self-employed at his family business Highway Tyre Service, where he is a majority shareholder from 1982. Mr. Gumbs served as Minister of Infrastructure, Communications, Utilities and Housing for the Government of Anguilla 2010- 2015. Mr. Gumbs is active in community service, youth, church activities and sports.

**Name:** Mr. Jibri Klaren

**Position:** Business Development, National Commercial Data Services

**Age:** 25

**Telephone No.:** 264-584-1011

**Mailing Address:** Sandy Ground, Anguilla, AI2640

Mr. Jibri Klaren works in Business development at National Commercial Data Services. Mr. Klaren develops and implements new business initiatives in the field of ICT. He holds a Masters in Fluid Dynamics from Massachusetts institute of Technology, 2013 - 2018. Mr. Klaren is a scientist and inventor who has made major strides in the field of Renewable wave energy and continues to work towards his goal of a renewable energy future. He now lobbies for renewable energy throughout the Caribbean region making presentation and consulting for renewable energy projects.

**Name:** Dr. Wycliffe Fahie

**Position:** Retired

**Age:** 60

**Telephone No.:** 264- 581-1884

**Mailing Address:** The Forest, Anguilla, AI-2640

Dr. Wycliffe Fahie is an Administrative & Financial Management Professional who served as the Principal Assistant Secretary for the Government of Anguilla 1998 to 2020, he also served as Finance Officer in the Ministry of Finance 1994 - 2018. Dr. Fahie holds a PHD in Economics from Union Institute and University Cincinnati Ohio, MA Economics from Florida International University, Miami Florida, LLB from University of London External Program ,London, England, BA in Economics and International Relations from Florida International University, Miami Florida and AA in Economics from Miami-Dade Community College, Miami, Florida. Dr. Fahie is active in the community and presently serves as Chair Procurement Board and Chair Stamp Advisory Committee for the Government of Anguilla.

**Name:** Mr. Cameron Lloyd

**Position:** Self Employed, Lloyds Electrical Services

**Age:** 47

**Telephone No.:** 264-235-6706

**Mailing Address:** North Hill, Anguilla, AI2640

Mr. Cameron Lloyd is an Electrician and is the Owner and Manager of Lloyd's Electrical Services for over twenty (20) years.

**Name:** Mr. Victor Nickeo

**Position:** Senior Radio Broadcaster, Upbeat Radio

**Age:** 59

**Telephone No.:** 264-235-1069

**Mailing Address:** South Valley, Anguilla, AI-2640

Mr. Victor Nickeo is a Senior Radio Broadcaster at Upbeat Radio. He has over twenty-five (25) years' experience in the Media Industry. Mr. Nickeo served previously as a Director of Anguilla Electricity Company Limited (ANGLEC).

**Name:** Mr. Juan Richardson

**Position:** Self Employed, Richardson Engineering & Services Ltd.

**Age:** 30

**Telephone No.:** 264-729- 0444/ 581-8891

**Mailing Address:** P.O. Box 359, The Valley, Anguilla

Mr. Juan Richardson is self-employed and is the owner, managing director and designer of Richardson Engineering & Services Ltd. He holds a degree in Civil Engineering from Universidad Central del Este (UCE) Dominican Republic. Mr. Richardson has had an active career in the construction industry for eight years and has worked on numerous big and small projects in and out of Anguilla. He is an active member of the Dominican Institute of Engineers, Architect & Surveyors (CODIA) Dominican Republic #35073/337.

**Name:** Ms. Donna Gumbs

**Position:** Retired

**Age:** 60

**Telephone No.:** 264-729-4392

**Mailing Address:** P.O. Box 4140, The Valley, Anguilla, AI2640

Ms. Donna Gumbs worked in the Internal Audit Department for Anguilla Social Board until her retirement in February 2020. She worked in various departments in the organization and was promoted from the Accounts department to Internal Audit prior to retirement. Ms. Gumbs hold a Diploma in Business Management from the University of the West Indies, Barbados.

**Name:** Mr. Derek Gumbs

**Position:** Retired Instructor Automotive Engineering

**Age:** 60

**Telephone No.:** 264-581-2860

**Mailing Address:** South Hill, Anguilla, AI2640

Mr. Derek Gumbs is a Technologist, Lecturer and Consultant. He was last employed at Buck College Group Motor Vehicle Engineering UK until March 2020. Mr. Gumbs hold a Bachelor's in Education from the University of Bolton England 2000-2001. He holds various certificates in the field of Automotive maintenance, repair, diagnosis and analysis.

**13. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC - MC report (related to disclosure of material information), with respect to which information is not otherwise called for by this form. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC - MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC - K report.

**14. List of Exhibits**

All exhibits will be sent to the Regulators as soon as the Financial Statements are approved. They will take the same order as per below.

Exhibit 1 – Financial Statements

(1) Relevant Financial Data Items for Public Utility and Utility Holding Companies

Item #	Description	Reference
1	total net utility plant	Financial Stmt footnote 6
2	other property and investments	Financial Stmt footnote 6
3	total current assets	Financial Stmt of Fin Pos pg 3
4	total deferred charges	Financial Stmt Footnote 14
5	balancing amount for total assets	Financial Stmt of Fin Pos pg 3
6	total assets	Financial Stmt of Fin Pos pg 3
7	common stock	Financial Stmt SHE pg 5
8	capital surplus, paid in,	Financial Stmt SHE pg 5
9	retained earnings	Financial Stmt SHE pg 5
10	total common stockholders equity	Financial Stmt SHE pg 5
11	preferred stock subject to mandatory redemption	None
12	preferred stock not subject to mandatory redemption	None
13	long term debt, net	Financial Stmt of Fin Pos pg 3
14	short term notes	None
15	notes payable	Financial Stmt of Fin Pos pg 3
16	commercial paper	None
17	long term debt-- current portion	Financial Stmt of Fin Pos pg 3
18	preferred stock-- current portion	None
19	obligation under capital leases	None
20	obligation under capital leases--current portion	None
21	balancing amount for capitalisation and liabilities	Financial Stmt of Fin Pos pg 3
22	total capitalisation and liabilities	Financial Stmt of Fin Pos pg 3
23	gross operating revenue	Financial Stmt of Fin Pos pg 4
24	other operating expense	Financial Stmt of Fin Pos pg 4
25	total operating expense	Financial Stmt of Fin Pos pg 4
26	operating income (loss)	Financial Stmt of Fin Pos pg 4
27	other income (loss), net	Financial Stmt of Fin Pos pg 4
28	income before interest charges	Financial Stmt of Fin Pos pg 4
29	total interest charges	Financial Stmt of Fin Pos pg 4
30	net income	Financial Stmt of Fin Pos pg 4
31	preferred stock dividends	None
32	earnings available for common stock	Financial Stmt SHE pg 5
33	common stock dividends	Financial Stmt SHE pg 5
34	total annual interest charges on all bonds	None
35	cash flow from operations	Financial Stmt Cash Flows pg 6
36	earnings per share –primary	Financial Stmt of Fin Pos pg 4
37	earnings per share – fully diluted	Financial Stmt of Fin Pos pg 4