

**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, 2021**

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 :

Name of Director:

**MR. SUTCLIFFE HODGE**

**MR. DAVID CARTY**

*S. Hodge*

*David Carty*

Signature

Signature

*21-4-23*

*11-4-23*

Date

Date

Name of Chief Financial Officer

**MR. PETER LAMONTAGNE**

*Peter Lamontagne*

Signature

*2-5-23*

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 29% and 13% 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 via CCRIF. Claims against these funds are made based upon events (natural disasters or other events) impact the network on a large scale. This exposes the Company to additional risk as the coverage provided by CCRIF, depending on the severity of the natural disaster may become insufficient to cover all costs. 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. Hence the company has coverage from Business Interruption.

#### Large Consumers Inability to Pay

ANGLEC's largest consumer groups are the Hotels and Government sectors which contribute approximately 29% and 13% of our sales, respectively. A significant decline in 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.

## **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 13 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.

The company also has to make sure that it is in fact charging sufficiently for its services as provided for by the Electricity Act which governs the way in which it charges. Specifically, the company has to ensure that its Fuel Surcharge is applied as per the Electricity Act. This is the first step in ensuring that the company has the necessary pool of revenue earned that it can turn into cash and so avert any liquidity issues.

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

No shareholder rights were modified during 2021.

## **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, 2021 is reporting total revenues of EC\$ 65,281 Million (M) as compared with EC\$ 59,331 M in 2020, a positive variance of some EC\$ 5,950 M, or 10 % between the two periods.

We note that the Energy sales for 2021 are being reported at EC\$ 51,255 M, as compared with the 2020 total of EC\$ 47,996 M, or positive EC\$ 3,259 M or 7 % over 2020. This increase in energy sales was primarily due to increase KWH of electricity units sold. We sold 80,480M KWHs of electricity in 2020 while selling 86,152 M KWH in 2021, a 5,672 M KWH difference or 7 % increase 2021/2020. As a percentage of total Gross Revenues, Energy sales accounted for 78 % of the total revenue in 2021, whereas the ratio was 81 % in 2020.

We are reporting an increase under the Fuel Surcharge recovery income by some EC\$ 2,691K, or 24 % between 2021/2020. We recovered EC\$ 14,027 M in fuel as compared with EC\$ 11,336 M in 2020.

During 2021 the fuel surcharge rate charged to customers was increased over time to 45 cents.

As a percentage of total Gross revenues, Fuel Surcharge recoveries accounted for 22 % in 2021, whilst 19 % in 2020. The rate was adjusted in order to pass on to customers a fairer portion of the cost of fuel which had many increases during 2021.

Net Income decreased from EC\$ 1.14 M in 2020 to EC\$ -3.43 million in 2021, a decrease of EC\$ 4.57 million. The major driver of this performance is because, the increase in fuel during the year was not matched by the increase in the fuel surcharge as allowed for by the Electricity Act

#### Operating Costs

Total operating cost for the year ended 2021 is being reported at EC\$ 66 million, whilst that for 2020 was EC\$ 49 million, this was a negative difference of EC\$ 17 million or 35% 2021/2020. Total fuel cost for 2021 was EC\$ 42 million as compared with EC\$ 27 million in 2020, representing a difference year on year of EC\$ 15 million, or 55 %. The total fuel cost for 2021 accounted for 65 % of the total revenue generated, that for 2020 was 46 %.

Other Generation cost for 2021 was EC\$ 14 million as compare with EC\$ 11 million in 2020, an increase in cost of EC\$ 3M, or 27 %. Other Generation cost as a function of revenue was 25 % - 19% (2021-2020).

#### Fuel Cost

Fuel cost is the single major cost incurred by the company. It accounted for 65 % as a function of our revenues. In 2020 it accounted for 46%. We noted during the year under review that the average cost per imperial gallon (IG) of gasoil fuel was EC\$ 8.03, by way of comparison it was EC\$ 5.50 in 2020, this represents an increase of EC\$2.53 per IG or 46 % between the two years. Further, we consumed 5.3 million IG of fuel in 2021, as compared with. 4.9 million IG in 2020, a variance of 0.4M IG, or 8% 2021/2020.

Because of the Increase in fuel prices during 2021 we were unable to pass on any savings to our customer, by way of reductions in the fuel surcharge rates. The fuel surcharge increased to \$.25 per Kwh by the end of 2021. However, we did not pass on the full effect of the fuel increase to the customer and as a result under-recovered by just under XCD\$8.5M in 2021.

## Other Generation

Other Generation cost, i.e. Generation cost excluding fuel, was reported at EC\$ 13.9 million in 2021 as compared with EC\$ 11.1 million in 2020, a negative variance of EC\$ 2.8 M, or 25%. This increase in Generation cost is primarily due to increases in the repairs and maintenance of the generation equipment.

## Transmission and Distribution

We reported total Transmission and Distribution cost of EC\$ 9.9 million in 2021 as compared with EC\$ 10.2 million in 2020, an increase in cost, or negative variance, to the company of EC\$ 0.3M or 2.9 %, year on year.

## Operating Expenses

Total Operating Expenses, comprised of Administrative Expenses and Customer Services, was reported at EC\$ 6.5 million in 2021 as compared with EC\$ 13.9 million in 2020, a positive variance of EC\$ 7.4 million, or 53 % between the two years.

## Finance Cost

Finance cost Increased between 2021 and 2020 by EC\$ 105 thousand, or 11.6%, from 2021-EC\$ 803thousand to 2020-EC\$ 908 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\$ 2 million were expended as follows:

Building	EC\$0.154million
Plant and Machinery	EC\$1.2 million
Furniture, Fixtures and Equipment	EC\$ 0.107million
Vehicles	EC\$0.0 million
Work in Progress	EC\$ 0.518million
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	EC\$ 1.979 million
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Most if not all of these acquisitions were in fact necessary to complete the restoration of our Fixed Assets which were decimated during Hurricane Irma.

## Earnings per Share+ Dividends

Earnings per share decreased from EC\$.10 in 2020 to EC\$(0.30) in 2021. Because of the losses made in 2021 and 2020 no dividends were proposed for the years.

**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:** 55

**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 (Ag.) 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.



APPENDIX 1  
BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Mr. Sutcliffe Hodge Position: Chief Executive

Mailing Address: P.O Box 400,  
The Valley,  
Anguilla, British West Indies

Telephone No.: (264) 497-5200

List jobs held during past five years (including names of employers and dates of employment).  
Give brief description of current responsibilities.

Mr. Sutcliffe Hodge commenced working ANGLEC on June 1st 2022.  
Mr. Hodge joins the ANGLEC team with over thirty (30) years of experience in management. He has progressed from working as a computer operator/Programmer in the United States to holding the executive position of Executive Vice President with Cable & Wireless (LIME) responsible for the Windward Islands.

Education (degrees or other academic qualifications, schools attended, and dates):

Mr. Hodge ' s skills and abilities includes, but not limited to: High Performance Orientation, Team Management and Strategic Management complemented with a Bachelor of Science in Business Management and a master ' s degree in Business Administration with a concentration in Marketing and International Business.

Also a Director of the company  Yes  No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

*Use additional sheets if necessary.*



**APPENDIX 1  
BIOGRAPHICAL DATA FORMS**

**EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY**

Name: Miss. Keneisha Gumbs Position: Corporate Secrecy (Ag)

Mailing Address: P. O. Box 400  
The Valley, Anguilla  
AI-2640

Telephone No.: 264-497-5200

List jobs held during past five years (including names of employers and dates of employment).  
Give brief description of **current** responsibilities.

Miss. Keneisha Gumbs has been working with ANGLEC for the pass 10 years. Miss. Gumbs has been employed as Administrative Assistant and the Corporate Secretary (Ag) from August 2022 to present.

Education (degrees or other academic qualifications, schools attended, and dates):

Miss. Gumbs is the holder of both CXC and CAPE subjects and completing her final year of studies in BS. Psychology with minor in Human Resource Management. Miss. Gumbs obtained the Chartered Corporate Secretary (C.C.Sec) designation from The Caribbean Governance Training Institute in 2023.

Also a Director of the company  Yes  No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

*Use additional sheets if necessary.*



APPENDIX 2 - BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Ms. Donna Gumbs Position: Retired

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

Telephone No.:

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of current responsibilities

Ms. Donna Gumbs worked in the Internal Audit Department of Anguilla Social Security 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.

Education (degrees or other academic qualifications, schools attended, and dates):

Ms. Gumbs holds a Diploma in Business Management from the University of the West Indies, Barbados.

*Use additional sheets if necessary.*



**APPENDIX 2  
DIRECTORS OF THE COMPANY**

Information concerning non-Executive Directors:

Name: Mr. Jibri Klaren Position: Malliouhana

Age: 26

Mailing Address: Sandy Ground

Anguilla

AI2640

Telephone No.: 264-584-1011

List jobs held during the past five years (including names of employers and dates of employment). Give brief description of current responsibilities.

Mr. Jibri Klaren works in the Hospitality Industry. Mr. Klaren is the IT manager at Malliouhana. 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.

Education (degrees or other academic qualifications, schools attended, and dates):

He holds a Masters in Fluid Dynamics from Massachusetts institute of Technology, 2013-2018.













**DIRECTORS OF THE COMPANY**

Information concerning non-Executive Directors:

Name: Patrick Mardenborough Position: Owner of MBDS

Age: \_\_\_\_\_

Mailing Address: PO Box. 851  
South Hill, Anguilla  
AI2640

Telephone No.: \_\_\_\_\_

List jobs held during the past five years (including names of employers and dates of employment). Give brief description of current responsibilities.

Mr. Patrick Mardenborough worked for the Government of Anguilla as a Customs Officer in the Customs Department from 1994 until 2001. He was then the General Manager and Custom broker of ABF Brokeage and Delivery Services from 2001 to 2019. He is now the owner and General Manager of Mardenborough Brokerage & Delivery Services Ltd.

Education (degrees or other academic qualifications, schools attended, and dates):



## DIRECTORS OF THE COMPANY

Information concerning non-Executive Directors:

Name: Mr. Jerome Roberts Position: Purchasing Manager

Age: \_\_\_\_\_

Mailing Address: East End

Anguilla

A12640

Telephone No.: 264-476-4673

List jobs held during the past five years (including names of employers and dates of employment). Give brief description of current responsibilities.

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

Education (degrees or other academic qualifications, schools attended, and dates):

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**DIRECTORS OF THE COMPANY**

Information concerning non-Executive Directors:

Name: Cameron Lloyd Position: Self Employed

Age: \_\_\_\_\_

Mailing Address: North Hill  
Anguilla  
AI2640

Telephone No.: 264-235-6706

List jobs held during the past five years (including names of employers and dates of employment). Give brief description of current responsibilities.

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

Education (degrees or other academic qualifications, schools attended, and dates):

Mr. Lloyd completed his education at the Albena Lake Hodge Comprehensive School.



## DIRECTORS OF THE COMPANY

Information concerning non-Executive Directors:

Name: Mr. Derek Gumbs Position: Self Employed

Age: \_\_\_\_\_

Mailing Address: South Hill  
Anguilla  
AI2640

Telephone No.: 264-581-2860

List jobs held during the past five years (including names of employers and dates of employment). Give brief description of current responsibilities.

Mr. Derek Gumbs is a Technologist, Lecturer and Consultant. He was last employes at Buck College Group Motor Vehicle Engineering UK until March 2020. .

Education (degrees or other academic qualifications, schools attended, and dates):

Mr. Gumbs holds a Bachelor's in Education from the University of Bolton england 2000-2001. He holds various certificates in the field of Automotive maintenance, repairs, diagnosis and analysis



## DIRECTORS OF THE COMPANY

Information concerning non-Executive Directors:

Name: Mr. David Carty Position: Owner of Rebel Marine

Age: \_\_\_\_\_

Mailing Address: North Hill  
Anguilla  
AI2640

Telephone No.: 264-235-2616

List jobs held during the past five years (including names of employers and dates of employment). Give brief description of current responsibilities.

Mr David Carty was appointed as a Tourism Officer in the newly established Government Department of Tourism and rose to the position of Director of Tourism in 1980.

On leaving the formal civil service Mr. Carty established a small boat building company and was self taught in the skills of naval architecture and boat building. His company, Rebel Marine Ltd. has emerged over the years to become a well recognized boutique boat building company building a wide array of custom designed boats for Anguilla, the Eastern Caribbean region, and now the US market.

Mr. Carty has also served as a member of Anguilla Legislative Assembly in 1991-1994 and as Parliamentary Secretary with responsibility for Education and Environment .From 2005-2010 he served as Speaker of The House of Assembly. He has chaired and led Government initiatives for the establishment of artificial dive sites, Constitutional Reform and Renewable Energy transition for Anguilla.

Mr. Carty is a keen student of Caribbean History and culture and has written and produced a book and video documentary on Anguilla 's national sport of boat racing. This production entitled " Nuttin Baffin " has garnered multiple International awards and is now a cultural resource.

Mr. Carty is married to his wife Alison and has two sons.

Education (degrees or other academic qualifications, schools attended, and dates):

David Carty is a graduate of the University of The West Indies who began his working career in 1974 as a High School Teacher.



**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**

(1) Exhibit 1 – Financial Statements

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

<b>Item #</b>	<b>Description</b>	<b>Reference</b>
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