

Schedule 2
FORM ECSRC – OR

(Select One)

☒ **QUARTERLY FINANCIAL REPORT** for the period ended September 30, 2020
Pursuant to Section 98(2) of the Securities Act, 2001

OR

☐ **TRANSITION REPORT**
for the transition period from _____ to _____
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

Issuer Registration Number: GRENLEC27091960G

Grenada Electricity Services Ltd.

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

Grenada W.I.

(Territory or jurisdiction of incorporation)

Dusty Highway, Grand Anse, St. George's, P.O. Box 381

(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): (473) 440-3391

Fax number: (473) 440-4106

Email address: mail@grenlec.com

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

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. _____

CLASS	NUMBER
Ordinary Shares	19,000,000

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:

Collin Cover

Linda George-Francis

SIGNED AND CERTIFIED

SIGNED AND CERTIFIED

Date 27th Oct 2020

Date 27/10/2020

Name of Chief Financial Officer:

Benedict Brathwaite

SIGNED AND CERTIFIED

Signature

Date 27. 10. 2020

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.
- (b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

- 1. The quality of earnings;
- 2. The likelihood that past performance is indicative of future performance; and
- 3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures

taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

The following table provides information at September 30, 2020 with comparatives at September 30, 2019 and December 31, 2019 of GRENLEC's compliance with various financial loan covenants. The ratios continue to exceed the covenants at the end of the third quarter. In the third quarter of 2020 the Company continued to feel the impact of the restrictions on travel given the COVID-19 State of Emergency with hotels, St. George's University and large apartments dependent on students limited in their operations. KWh sales fell by 10.1% in the quarter following the 16% in the second quarter in comparison to the same periods of 2019.

Covenant Table

	Covenant Ratio	September 2020	September 2019	December 2019
Current Ratio	$\geq 1.35:1$	2.23:1	2.14:1	2.27:1
Debt Service Coverage Ratio	$\geq 1.75:1$	4.62:1	5.96:1	7.04:1
Funded Debt to EBITDA	$\leq 3:1$	1.26:1	1.12:1	0.83:1

A comparison of the September 2020 and 2019 numbers in the table above indicates that the Company's performance is lagging 2019 but is well on track to surpass the covenant ratios of the agreement.

In the first nine months of 2020 the Company's net assets increased from \$100.23M to \$106.87M. Non-current assets increased from \$108.16M to \$112.69M in this period despite depreciation expense of \$6.26M. Cash and cash equivalents declined by \$4.72M in the quarter ending at \$16.39M equivalent to the \$16.60M at the end of 2019.

Trade receivables decreased by \$1.21M in the third quarter of 2020, to \$13.81M. This followed a decrease of \$6.19M in the second quarter. Declining kWh sales and lower fuel prices both related to COVID-19 lead to the decrease. All sectors decreased relative to December 2019 balances as follows: Commercial (32%), domestic (10.1%), hotels (74.7%), industrial (33.4%), statutory bodies (64%) and government (29.2%). COVID-19 also impacted the quality of the receivables with current balances increasing from 66% at December to 70% by September however, the over 90 days rose from 16% to 22%. The combined discount of 30% from the Government and Company over a three-month period ended with payments due in July, which eased the burden on customers, many of whom lost jobs or income from the economic impact of the COVID-19 pandemic. It will therefore be important to reduce the balances over 90 days in the final quarter.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital

resources, changes in financial condition and results of operations.

- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

(a) Liquidity

At the end of the third quarter of 2020 the Company recorded a current ratio of 2.23:1 and was in position to meet its operational requirements at a level above the lender institution's benchmark of 1.35:1.

The average electricity rate over the first nine months of 2020 was \$0.85/kWh, a decrease of 11 percent (\$0.10/kWh) as compared to the same period last year. This decrease was due to lower world fuel prices in 2020 compared to that of 2019. The average fuel charge decreased by 21.6 percent from \$0.4620/kWh to \$0.3653/kWh for the nine months as compared to the equivalent period last year.

Cash provided by operating activities for the nine months to September 30, 2020 of \$19.04M was well below the \$33.03M for the same period in 2019. Adjusted profit was \$6.86M lower than for the first nine months of 2019 even with a fuel cost recovery benefit being more than 2019 by \$1.16M. The impact of the COVID-19 lockdown continued to be felt throughout the third quarter as decreased kWh sales and lower fuel prices meant decreases in trade and other payables by \$1.27M and accounts receivable and prepayments by \$7.49M. In the nine months inventory saw an increase of \$6.97M.

Cash used in investing activities of \$11.49M to September 30, 2020 was less than the \$17.47M in the first nine months of 2019. The main factors in the difference in the use of this cash was a change in the accounting for consumer contributions to line extensions that saw an outflow of \$6.43M in 2019.

Financing activities in the first nine months of 2020 was mainly the payment of the regular quarterly dividend of thirteen cents per share and repayment of borrowings as scheduled. This saw cash utilized of \$10.68M with a difference to the equivalent period of 2019 being the new loan last year of \$3.72M.

Overall, during the first six months of the year, the cash position increased by \$2.06M after a decline in the second quarter of \$2.62M. The Company met all its obligations in the period, and, based on its current cash flow projections can be expected to continue to do so for the foreseeable future.

(b) Capital Resources

Non-expansion capital expenditure of \$11.35M in the first nine months of 2020 was funded from internal operations. A balance of \$2.20M remains from the budgeted capital expenditure of \$13.55M in 2020 which will be similarly funded from operations. Over the years the Company has only utilized external funding for major capital projects.

The Company does not face any significant challenge with regards to capital resources for its recurrent or capital operations. It has an overdraft facility with CIBC FirstCaribbean in the amount of \$6M. Additionally, it has in excess of \$6M in certificates of deposits that are not associated with the Hurricane Fund that is included within the \$34.64M under financial assets at amortised cost.

The COVID-19 impact lead to the Company making cuts of \$1.21M to its Capital Budget. St. George's University (SGU) our largest customer that had scaled back operations since March, returned the majority of students to their countries of origin and continues to hold courses online. At the end of September SGU had not indicated when students will be returning to Grenada. Additionally, with Grenada under a State of Emergency and the hotel sector expected to slowly reopen starting in October there is uncertainty as to any other adjustments that it might have on capital expenditure in 2020.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off- balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

None

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.

- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls.

Overview of Results of Operations

The Company's financial performance for the first nine months of 2020, reflected by its profit before interest, showed a 25.8 percent decrease as compared to the same period in 2019, a decline of \$9.42M to \$27.03M. The main factor for this decline was the impact of COVID-19 that saw kWh sales decrease by 8 percent.

The fuel cost recovery rate of 119.77 percent in the first nine months of 2020 was mainly based on the dramatic decrease in fuel prices in the second and third quarters. By September average fuel prices in 2020 had fallen by 32.2% to \$4.86/l.G in comparison to the \$7.17/l.G of the same period in 2019. This meant a fuel cost recovery benefit of \$8.30M as against the \$7.14M of the first nine months of 2019 despite \$3M being used towards the discount to customers. World fuel prices in the past three months have averaged USD40 per barrel and if this is maintained there should not be a significant likelihood of fuel cost recovery being eroded by year end.

KWh sales growth of 2.5 percent in the first quarter of 2020 was followed by decline of 16% and 10% in the second and third quarters respectively leading to an overall decrease by September of 8 percent over the same period in 2019. This is behind the budgeted kWh sales for 2020 by 10.8 percent.

Total revenue to September 2020 decreased by 23 percent, to \$110.13M as compared to the equivalent period of 2019. The average fuel charge \$0.3623 in the first nine months of 2020 was 11.1 percent less than that for the equivalent period of 2019 which along with lower kWh sales lead to the lower overall revenue. Fuel revenue in the first nine months was 31.9 percent below the 2019 total.

Operating and administrative expenses other than fuel of \$41.11M increased by 2.8 percent in the first nine months of 2020 relative to the \$39.99M in the comparative period of 2019. This increase was mainly due to an adverse variance of \$1.15M between the years with regards to expenditure in the Generation department. Specifically, most of the unfavourable variance related to planned overhaul expenses with \$0.46M and \$0.38M related to original engine manufacturers (OEM) engineering assistance in reviewing operational procedures and practices. A failure on an 8MW engine on October 1, can lead to the adverse variances widening in the fourth quarter either due to expenses for repairs or rentals. The other departments' expenses were comparative to that of 2019 as tight controls over costs were maintained in recognition that with no change in the non-fuel charge rate since 2016 the Company is dependent on kWh sales growth and efficiency improvement to counter price increases. Over the first nine months of 2020 operating expenses were lower than a COVID-19 revised budget by 5.7 percent.

Interest costs of \$1.90M in the first nine months of 2020 reflects an increase of 6.3 percent compared to the \$1.78M to September 2019. New borrowings of \$3.72M in August 2019 along with the finance costs as a result of IFRS 16 re leases were mainly responsible for the increase in interest as the CIBC loan of 2016 is being repaid as scheduled.

System losses twelve months rolling average of 6.94 percent at September 30, 2020 was below the 7.19 percent at the equivalent point in September 2019. System loss is a key strategic driver for the Company and its importance cannot be over emphasized in the context of the challenging economic conditions under which the Company operates. Management monitors system losses closely with the view of keeping it as low as technically possible.

Fuel efficiency of 19.02kWh's per imperial gallon in the first nine months of 2020 was marginally below the 19.06kWh's achieved in the same period last year and represents a 0.2 percent decline. Fuel efficiency for 2019 of 18.99kWh's was below that for the first nine months of 2020. The Company has had engineers from the OEM's Mak and Wartsila onsite reviewing the maintenance practices with the view of improving the efficiencies on the generators. The Wartsila engineer returned in the third quarter of 2020 to implement changes to improve the fuel efficiencies of the generators. However, the failure on October 1, of an 8MW generator one of the largest on the plant will likely have a negative impact on the fuel efficiency in the fourth quarter. Fuel efficiency is very important as it is a key performance indicator for the Company and has a significant impact on its financial performance.

3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

The major risk factors facing the Company continue to be as follows:

- Hurricanes

As clearly established after Hurricane Ivan hit Grenada in 2004 when approximately 90 percent of our distribution system was affected, hurricanes continue to be the most immediate and significant risk being faced. This risk has been partially offset by the strengthening of the distribution system which has been made more robust in the rebuilding period after hurricanes Ivan and Emily. Further the distribution system is maintained in this condition by a consistent pole inspection and replacement program. With each passing period that Grenada is not significantly affected by a hurricane the Company's Hurricane Reserve increases, and presently it stands at \$29.50M which mitigates the main risk exposure associated with post-hurricane recovery. Additionally, the Hurricane Fund of \$28.20M is more than double the pre-Ivan level of \$14M.

The 2016 Electricity Supply Act, 2017 Electricity Act and the 2016 Public Regulatory Commission Act

- The 2016 ESA and the 2016 PURC Acts had commencement dates of August 1, 2016. These Acts fundamentally alter the regulatory and operating framework. Section 71 of the 2016 ESA repealed the Electricity Supply Act, 1994 (ESA 1994). The 2016 EA separates generation and transmission entities to allow competition in both the generation and distribution areas, and to increase generation by renewable energy. The Act is silent on the issue of whether concessions on customs duties will continue as per the Electricity Supply Act No, 39 of 2013 or be removed altogether. The draft regulations under the new Act were submitted in mid-December 2019 and public consultations began in March 2020. However, these have been badly affected by COVID-19 and a new deadline of June 2, 2020 has been set for written submissions to the PURC. The Company made all its written submissions prior to the end of March 2020.
- On March 20, 2020, The ICSID arbitration panel ruled on the demand notice by GPP/WRB for repurchase of its shares by the Government of Grenada in regard to Government's Share Purchase Agreement obligations with WRB. GPP the holder of 50% of GRENLEC's shares is a subsidiary of WRB Enterprises Inc who have had a Management Contract with GRENLEC since 1994. This indicates a likelihood that there will be a new strategic partner in the near future. As at the end of the third quarter there were no new developments in this regard.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

There were no pending legal proceedings outstanding at September 30, 2020 that could materially impact on the Company's position.

5. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There were no changes in securities during the quarter ended September 30, 2020.

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

N/A

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

N/A

- Name and address of underwriter(s)

N/A

- Amount of expenses incurred in connection with the offer N/A

- Net proceeds of the issue and a schedule of its use

N/A

- Payments to associated persons and the purpose for such payments

N/A

(b) Report any working capital restrictions and other limitations upon the payment of dividends.

None.

6. Defaults upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

Payments of principal and interest to CIBC FirstCaribbean on loans of \$48.05M in March 2016 and \$3.72M in August 2019 were made during the quarter ended September 30, 2020 as per the agreement.

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

No arrears in the payment of dividends have occurred and there are no restrictions.

7. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

The Company would usually have held its AGM in the second quarter but due to the State of Emergency declared was unable to do so in the second week of May as initially scheduled.

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

N/A

- (c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

N/A

- (d) A description of the terms of any settlement between the registrant and any other participant.

N/A

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

N/A

Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. 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 – OR report.

None

NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

1. Corporate Information

Grenada Electricity Services Limited (the Company) is public and is registered in Grenada. It is engaged in the generation and supply of electricity throughout Grenada, Carriacou and Petit Martinique. It is a subsidiary of Grenada Private Power Limited of which WRB Enterprises Inc. is the majority owner.

The Company was issued a certificate of continuance under Section 365 of the Companies Act on November 8th, 1996.

The Company operates and exercises and performs functions relating to the supply of electricity in Grenada. The Company is listed on the Eastern Caribbean Securities Exchange.

The registered office is situated at Grand Anse, St. George's, Grenada.

2. Basis of Preparation

The interim financial report for the period ended September 30, 2020 has been prepared in accordance with IAS 34, 'Interim Financial Reporting' and should be used in conjunction with the annual financial statements for the year ended December 31, 2019.

3. Significant Accounting Policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2019.

4. Use of Judgements and Estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the financial statements as at and for the year ended December 31, 2019.

GRENADA ELECTRICITY SERVICES
Statement of Financial Position

	Unaudited September 30, 2020 EC \$	Unaudited September 30, 2019 EC \$	Audited December 31, 2019 EC \$
ASSETS			
Non Current Assets			
Property Plant and Equipment	98,212,611.40	88,849,730.82	100,896,414.05
Right to Use Assets	2,746,752.95		2,809,204.60
Suspense Jobs in Progress	2,396,634.88	2,583,387.80	1,503,749.47
Capital Work in Progress	9,333,142.23	13,217,757.90	2,946,611.49
	<u>112,689,141.46</u>	<u>104,650,876.52</u>	<u>108,155,979.61</u>
CURRENT ASSETS			
Inventories	27,577,971.14	19,927,697.47	20,609,567.57
Trade and Other Receivables	18,434,157.51	27,113,275.95	25,920,132.17
Loans and receivables at amortised cost	34,642,853.67	32,549,079.66	34,437,203.96
Cash and cash equivalents	16,393,835.97	17,330,718.54	16,600,291.85
	<u>97,048,818.29</u>	<u>96,920,771.62</u>	<u>97,567,195.55</u>
TOTAL ASSETS	<u>209,737,959.75</u>	<u>201,571,648.14</u>	<u>205,723,175.16</u>
SHAREHOLDERS EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY			
Stated Capital	32,339,840.00	32,339,840.00	32,339,840.00
Provision for Hurricane Insurance Reserve	29,500,000.03	27,500,000.03	28,000,000.00
Retained Earnings	39,893,890.45	28,167,273.31	28,170,392.56
Profit / (Loss) to Date after Dividends	5,139,114.29	10,922,645.79	11,723,497.89
	<u>106,872,844.77</u>	<u>98,929,759.13</u>	<u>100,233,730.45</u>
Non Current Liabilities			
Consumers' Deposits	17,439,534.04	16,901,207.31	17,268,892.95
Long-term Borrowings	29,001,483.26	33,377,449.94	32,283,458.27
Leased Liabilities	2,534,617.95		2,644,405.58
Deferred tax liability	10,227,649.65	6,763,168.40	10,227,649.65
	<u>59,203,284.90</u>	<u>57,041,825.65</u>	<u>62,424,406.45</u>
Current Liabilities			
Amount Due to Related Company	150,325.97	254,800.88	-
Bank overdraft	2,921,905.67	3,138,657.41	-
Short- term borrowings	4,375,966.68	4,375,966.68	4,375,966.68
Trade and other payables	21,274,852.03	21,151,731.66	22,540,407.30
Current portion of leased liabilities	303,851.72		246,336.58
Consumers' contribution to line extensions	8,106,888.68	7,163,459.41	7,282,723.26
Provision for retirement benefits	577,236.81	185,410.78	682,799.70
Provision for Profit Sharing	4,854,199.03	5,816,033.29	6,470,412.35
Income Tax payable	1,096,603.49	3,514,003.25	1,466,392.39
	<u>43,661,830.08</u>	<u>45,600,063.36</u>	<u>43,065,038.26</u>
TOTAL LIABILITIES	<u>102,865,114.98</u>	<u>102,641,889.01</u>	<u>105,489,444.71</u>
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	<u>209,737,959.75</u>	<u>201,571,648.14</u>	<u>205,723,175.16</u>

**GRENADA ELECTRICITY SERVICES
STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	December 31, 2019
<u>INCOME</u>					
Sales - Non Fuel Charge	20,472,515.45	22,825,212.01	60,932,491.64	66,495,286.53	90,180,659.00
- Fuel Charge	11,391,970.89	24,958,849.69	50,277,061.82	73,776,666.88	98,866,692.38
Unbilled Sales Adjustments	(349,283.96)	987,216.04	(2,362,729.48)	300,062.06	(136,068.42)
Net Sales	31,515,202.38	48,771,277.74	108,846,823.98	140,572,015.47	188,911,282.96
Sundry Revenue	42,277.51	1,187,797.13	1,284,230.77	2,507,842.26	3,554,630.76
TOTAL INCOME	31,557,479.89	49,959,074.87	110,131,054.75	143,079,857.73	192,465,913.72
<u>OPERATING COSTS</u>					
Production less Diesel Consumed	3,945,401.05	4,585,372.41	13,446,281.40	12,292,500.64	17,699,755.78
Diesel Consumed	11,724,920.00	23,114,297.50	41,984,037.35	66,640,441.49	89,735,492.78
Planning & Engineering	617,070.80	671,999.71	2,106,048.13	2,290,088.34	3,029,990.86
Distribution	3,739,986.32	4,072,722.36	11,366,716.29	11,701,487.89	15,731,709.21
TOTAL OPERATING COSTS	20,027,378.17	32,444,391.98	68,903,083.17	92,924,518.36	126,196,948.63
<u>CORPORATE SERVICES</u>	4,283,283.77	4,191,035.18	14,192,298.05	13,709,242.44	19,289,459.86
PROFIT BEFORE INTEREST	7,246,817.95	13,323,647.71	27,035,673.53	36,446,096.93	46,979,505.23
<u>INTEREST</u>					
Bank Loan Interest	447,906.66	438,105.72	1,370,159.77	1,295,168.80	1,892,683.87
Other Bank Interest	1,429.12	4,782.20	8,651.51	5,901.83	5,979.93
Consumer Deposit Interest	194,170.47	175,227.54	517,520.17	482,263.44	648,763.65
TOTAL INTEREST COSTS	643,506.25	618,115.46	1,896,331.45	1,783,334.07	2,547,427.45
PROFIT AFTER INTEREST	6,603,311.70	12,705,532.25	25,139,342.08	34,662,762.86	44,432,077.78
<u>ALLOCATIONS</u>					
Donations	305,165.59	610,276.62	1,181,967.11	1,658,216.14	2,121,603.89
Profit Sharing	1,471,989.66	2,156,462.16	5,028,049.55	6,041,931.98	7,910,136.69
TOTAL OTHER CHARGES	1,777,155.25	2,766,738.78	6,210,016.66	7,700,148.12	10,031,740.58
PROFIT BEFORE TAXES	4,826,156.45	9,938,793.47	18,929,325.42	26,962,614.74	34,400,337.20
Corporation Tax @ 30%	1,211,323.81	2,386,043.55	4,880,211.10	7,129,968.92	7,332,356.06
Deferred Tax			-	-	3,464,481.25
PROFIT AFTER TAXES	3,614,832.64	7,552,749.92	14,049,114.32	19,832,645.82	23,603,499.89
Dividends	2,470,000.00	2,470,000.00	7,410,000.00	7,410,000.00	9,880,000.00
Hurricane Provision	500,000.01	500,000.01	1,500,000.03	1,500,000.03	2,000,000.00
RETAINED PROFIT to date	644,832.63	4,582,749.91	5,139,114.29	10,922,645.79	11,723,499.89

GRENADA ELECTRICITY SERVICES LIMITED
Statement of Cash Flows

	Unaudited Nine Months Ended September 30, 2020	September 30, 2019	Audited Year Ended December 31, 2019
Operating Activities			
Profit before Income Tax	18,929,325.42	26,962,614.74	34,400,337.00
Adjustments for:			
Depreciation	6,274,323.53	5,559,505.18	7,826,965.00
Profit on disposal of fixed assets	427,133.86	(46,500.00)	(80,500.00)
	25,630,782.81	32,475,619.92	42,146,802.00
(Increase) / Decrease in Operating Assets			
Receivables and prepayments	7,485,974.51	(2,500,489.49)	(1,276,732.00)
Inventory	(6,968,403.57)	(1,835,941.69)	(2,517,812.00)
Increase / (Decrease) in Operating Liabilities			
Trade and other payables	(1,265,555.27)	1,031,014.87	2,392,208.00
Consumers deposits	170,641.09	375,689.47	743,375.00
Consumers contribution to line extension - refundable	824,165.42	6,705,723.93	996,049.00
Provision for retirement benefits	(105,562.89)	(8,143.06)	489,246.00
Related company balance	150,325.97	137,312.14	(117,489.00)
Provision for profit sharing	(1,616,213.32)	1,040,108.44	1,694,487.00
	24,306,154.75	37,420,894.53	44,550,134.00
Payment of income tax	(5,250,000.00)	(4,390,186.00)	(6,640,196.00)
Cash provided by operating activities	19,056,154.75	33,030,708.53	37,909,938.00
(Increase) / Decrease in Investing Activities			
Disposal of property, plant and equipment	685,740.34	46,500.00	80,500.00
Suspense jobs in progress	(892,885.41)	(425,247.70)	654,391.00
Capital Work in Progress	(6,386,530.74)	(4,592,723.54)	5,678,423.00
Financial assets	(205,649.71)	(91,764.56)	(1,979,889.00)
Consumer contribution to line extension - non refundable	(553,275.09)	(6,430,681.54)	(1,779,091.00)
Purchase of property, plant and equipment	(3,879,576.48)	(5,975,234.05)	(18,808,807.00)
Cash provided by/(used in) investing activities	(11,232,177.09)	(17,469,151.39)	(16,154,473.00)
Financing Activities			
Dividends paid	(7,410,000.00)	(7,410,000.00)	(9,880,000.00)
Payment of principal portion of lease liabilities	(260,364.35)	-	(221,685.00)
Proceeds from borrowings	-	3,718,000.00	3,718,000.00
Repayment of Loan	(3,281,975.01)	(3,003,125.01)	(4,097,117.00)
Cash used in financing activities	(10,952,339.36)	(6,695,125.01)	(10,480,802.00)
Net (Decrease) / Increase in cash and cash equivalents	(3,128,361.70)	8,866,432.13	11,274,663.00
Net cash - at the beginning of year	16,600,292.00	5,325,629.00	5,325,629.00
- at the end of period	13,471,930.30	14,192,061.13	16,600,292.00
Represented by			
Cash and cash equivalents	16,393,835.97	17,330,718.54	16,600,292.00
Bank Overdraft	(2,921,905.67)	(3,138,657.41)	-
	13,471,930.30	14,192,061.13	16,600,292.00