Schedule 2
FORM ECSRC – OR

(Select One)

[X] QUARTERLY FINANCIAL REPORT for the period ended **March 31, 2018**
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:

Collin Cover

Signature

Date 27th April 2018

Name of Director:

Linda George-Francis

Signature

Date 27th April 2018

Name of Chief Financial Officer:

Benedict Brathwaite

Signature

Date 27.4.18

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 as at March 31, 2018 with comparatives at March 31, 2017 and December 31, 2017 of GRENLEC's compliance with various financial loan covenants. Within the first three months the ratios that are dependent on profitability usually lag the covenant based on the time frame.

Covenant Table

	Covenant Ratio	March 2018	March 2017	December 2017
Current Ratio	>= 1.35:1	2.37:1	2.85:1	2.78:1
Debt Service Coverage Ratio	>= 1.75:1	0.8:1	1.69:1	3.78:1
Funded Debt to EBITDA	<= 3:1	5.65:1	5.77:1	1.37:1

As can be seen from the 2017 numbers the Company is well on track to once again surpass the covenant ratios of the agreement based on the profitability of the first quarter.

In the first three months of 2018 the Company's net assets increased from $78.61M to $80.33M. Property plant and equipment increased from $79.39M to $80.49M in this period despite depreciation expense of $1.66M. Capital work in progress increased from $6.36M at the end of 2017, to $7.68M in the three months to March 2018 as the Company continued to make routine non-expansion capital expenditures financed from internal operations.

Trade receivables increased by $0.17M, over the three months to March 2018, from $16.13M. The domestic (0.9%), statutory bodies (42.3%) and industrial (0.5%) sectors were all lower. The commercial (2.2%), government (6.1%)and hotel sectors (3.7%) saw increases. The quality of the receivables continues to improve with 70% being current and 80% below 60 days. Focus on further reducing trade receivables over 60 days will continue as it is well known that the longer balances are outstanding the more difficult they are to recover.

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

As at the end of the first quarter of 2018 the Company recorded a current ratio of 2.37:1 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 three months of 2018 was $0.88/kWh, an increase of 10 percent ($0.08/kWh) as compared to the same period last year. This increase was due to world fuel prices slowly creeping up. The average fuel charge has increased by 22.3 percent from $0.3211/kWh to $0.3926/kWh for the three months as compared to the equivalent period last year.

Cash provided by operating activities for the three months to March 31, 2018 of $5.81M was higher than the $5.48M for the same period in 2017. Adjusted profit was $0.52M more than for the first three months of 2017 while receivables and prepayments increased by $1.20M, inventory increased by $1.40M and provision for profit sharing increased by $1.53M.

Cash used in investing activities of $4.84M to March 31, 2018 contrasted to that used of $1.18M in the first three months of 2017. The main factors in the use of this cash was purchase of fixed assets of $2.90M and an increase in capital work in progress of $1.32M.

Financing activities in the first three months of 2018 was limited to the payment of the regular quarterly dividend of thirteen cents per share and repayment of borrowings as scheduled. This saw cash utilized of $2.97M the same as that for the equivalent period of 2017.

Overall, during the first three months of the year, the cash position decreased by $2.00M with an overdraft at the end of the period of $2.84M. The Company met all of 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 $4.99M in the first three months of 2018 was funded from internal operations. A balance of $8.15M remains from the budgeted capital expenditure of $13.14M in 2018 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 $4.5M. Additionally, it has in excess of $10M in certificates of deposits that are not associated with the Hurricane Fund that is included within the $33.63M under loans and receivables financial assets

With the continued uncertainty surrounding the 2016 ESA amended by the 2017 EA the Company, has no immediate plans for any major expansion as it relates to renewable energy projects. Projects such as a 3MW of ground mounted solar PV project on 33 acres of leased land in Pearls St. Andrew and a wind turbine project in Carriacou have been placed on hold pending the regulations that will guide these Acts. External funding will most likely be required whenever either of these projects come on stream.

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 three months of 2018, reflected by its profit before interest, showed a 4.4 percent increase as compared to the same period in 2017, a growth of $0.35M to $8.29M. The main factors driving this were kWh sales growth and lower operating costs.

KWh sales growth was promising with monthly records for each of the first three months resulting in a 2.6 percent increase, over the same period in 2017. This is marginally ahead of the budgeted growth in kWh sales for 2018 of 2.3 percent.

Total revenue to March 2018 increased by 11.2 percent, to $40.07M as compared to the equivalent period of 2017. The 27.2 percent increase in average fuel prices to $7.01 per imperial gallon, in comparison with that of $5.51 to March 2017, led to higher fuel charge rates. As such, the fuel charge revenue increased by 25.5 percent from $15.29M to $19.19M, mainly accounting for the increased revenue.

The fuel cost recovery rate over the three months to March was 97.4 percent producing a net loss of $0.52M compared to a benefit of $0.61M from a comparative rate of 104.1percent over the equivalent period of 2017. The recovery rate in the first quarter has been lower than that of 2017as fuel prices have been trending upwards as against reducing in this period last year.

Operating and administrative expenses other than fuel of $12.06M decreased by 9.9 percent in the first three months of 2018 relative to the $13.39M in the comparative period of 2017. This decrease was due to the impact in 2017 of a provision for legal expenses with a variance between the years of $1.23M. The other expenses were comparative to that of 2017 as tight controls over costs were maintained in recognition that with no change in the non-fuel charge rate and negligible kWh sales growth it is unlikely that there will be an increase in non-fuel revenue. Over the first three months of 2018 operating expenses were lower than budget by 8.5 percent.

Interest costs of $0.63M in the first three months of 2018 reflects a decrease of 5.9 percent compared to the $0.67M to March 2017. There were no new borrowings since 2016 hence the reduction in interest as the CIBC loan is repaid as scheduled.

System losses twelve months rolling average of 8.57 percent at March 31, 2018 was higher than the 7.31 percent for the equivalent period in 2017. For the three months in 2018 system losses were 7.96% and we are positive that the increase seen is based on the timing of meter readings in a short billing month such as was the case in March 2018. The increased system losses would have had a negative impact on the fuel cost recovery rate. This 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 is operating. Management will therefore monitor it closely with a view of decreasing system losses.

Fuel efficiency of 19.13kWh's per imperial gallon in the first three months of 2018 was markedly below the 19.44kWh's achieved in the same period last year and represents a 0.9 percent decline. Fuel efficiency for 2017 was 19.02kWh's per imperial gallon which indicates that the longer view of a year is more significant given the vagaries of operations in short periods such as three months. This, like system losses, is very important as it is a key performance indicator for the Company that 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.

With each passing period without Grenada being significantly affected by a tropical storm the Hurricane Reserve increases, and presently stands at $24.5M which reduces the main risk exposure associated with post-hurricane recovery. The major risk factors facing the Company continue to be as follows:

- Hurricanes - as clearly established after Hurricane Ivan in 2004 when approximately 90 percent of our distribution system was affected. This continues to be the most immediate and significant risk being faced. This 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. Additionally, the Hurricane Fund of $24.05M is more than the pre Ivan level of $14M.

- The 2016 Electricity Supply Act, 2017 Electricity Act and 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 ESA 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 regulations under the new Act have not yet been promulgated.

    - On March 22, 2017, GPP the holder of 50% of Grenlec's shares filed a demand notice with the GoG in regards to Government's Share Purchase Agreement obligations with GPP. GPP is a subsidiary of WRB Enterprises Inc who have had a Management Contract with Grenlec since 1994.

- Current borrowings are in EC$ which limits exposure to foreign currency rates. Foreign exchange risk relates to purchases most of which are transacted in United States dollars, which has a fixed exchange rate.

- Sharply increasing fuel prices can over the short run impact negatively on the Company's cash flow and profitability.

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 as at March 31, 2018 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 March 31, 2018.

(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 for a loan of $48.05M in March 2016 was made as scheduled during the quarter ended March 31, 2018 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.

None.

(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.

(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

GRENADA ELECTRICITY SERVICES

Statement of Financial Position as at March 31, 2018 - 2017 and December 31, 2017

	Unaudited March 31, 2018 EC $	Unaudited March 31, 2017 EC $	Audited December 31, 2017 EC $
ASSETS			
Non Current Assets			
Property Plant and Equipment	80,491,217.93	72,057,474.39	79,385,243.93
Suspense Jobs in Progress	2,359,075.77	1,406,620.97	1,621,983.92
Capital Work in Progress	7,676,757.12	9,095,048.33	6,360,367.12
Available-for-sale financial assets	805,983.56	807,276.72	800,065.75
	91,333,034.38	83,366,420.41	88,167,660.72
CURRENT ASSETS			
Inventories	18,612,473.77	14,899,221.72	17,212,091.86
Trade and Other Receivables	24,109,859.84	22,538,107.41	22,914,367.42
Income Tax Prepaid	-	-	92,156.95
Loans and receivables financial assets	33,625,589.34	33,479,527.21	33,606,868.69
Cash and cash equivalents	2,705,618.87	3,193,837.86	1,460,892.91
	79,053,541.82	74,110,694.20	75,286,377.83
TOTAL ASSETS	170,386,576.20	157,477,114.61	163,454,038.55
SHAREHOLDERS EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY			
Stated Capital	32,339,840.00	32,339,840.00	32,339,840.00
Hurricane Insurance Reserve	24,500,000.01	22,499,999.97	24,000,000.00
Retained Earnings	22,266,799.63	19,053,572.63	19,053,572.63
Profit / (Loss) to Date after Dividends	1,220,675.16	1,023,329.83	3,213,226.92
	80,327,314.80	74,916,742.43	78,606,639.55
Non Current Liabilities			
Consumers' Deposits	15,142,285.94	14,624,825.63	15,404,494.85
Long-term Borrowings	36,037,499.96	40,041,666.64	37,038,541.63
Deferred tax liability	5,301,240.92	1,879,230.75	5,301,241.00
	56,481,026.82	56,545,723.02	57,744,277.48
Current Liabilities			
Amount Due to Related Company	163,321.82	16,975.03	0.00
Short- term borrowings	9,549,056.36	4,004,166.68	6,300,572.48
Trade and other payables	15,737,848.09	13,546,269.42	14,633,999.32
Consumers' Advances for Construction	886,662.54	899,820.65	1,167,899.68
Current portion of provision for retirement benefits	176,704.99	140,696.00	405,678.34
Provision for Profit Sharing	6,125,079.80	6,418,209.19	4,594,971.70
Income Tax payable	939,560.98	988,512.19	0.00
	33,578,234.58	26,014,649.16	27,103,121.52
TOTAL LIABILITIES	90,059,261.40	82,560,372.18	84,847,399.00
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	170,386,576.20	157,477,114.61	163,454,038.55

GRENADA ELECTRICITY SERVICES

STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2018 - 2017and year ended December 31, 2017

	Unaudited March 31, 2018	Unaudited March 31, 2017	Audited December 31, 2017
INCOME			
Sales - Non Fuel Charge	20,392,318.34	19,865,570.50	83,287,156.10
- Fuel Charge	19,189,363.88	15,294,494.83	65,636,365.45
Unbilled Sales Adjustments	124,497.49	189,060.57	794,034.43
Net Sales	39,706,179.71	35,349,125.90	149,717,555.98
Other Income	364,540.01	676,697.39	1,818,788.03
TOTAL INCOME	40,070,719.72	36,025,823.29	151,536,344.01
OPERATING COSTS			
Production less Diesel Consumed	3,654,040.89	3,329,914.89	14,881,135.90
Diesel Consumed	19,711,499.51	14,688,311.27	65,370,240.15
Planning & Engineering	665,406.17	697,239.68	2,635,219.97
Distribution	3,458,849.77	3,897,766.13	15,436,571.21
TOTAL OPERATING COSTS	27,489,796.34	22,613,231.97	98,323,167.23
CORPORATE SERVICES	4,288,465.95	5,467,498.54	20,420,675.43
PROFIT BEFORE INTEREST	8,292,457.43	7,945,092.78	32,792,501.35
INTEREST			
Bank Loan Interest	478,881.88	525,780.00	2,060,911.67
Other Bank Interest	7,475.79	-	16,269.32
Consumer Deposit Interest	145,572.18	142,037.67	583,398.79
TOTAL INTEREST COSTS	631,929.85	667,817.67	2,660,579.78
PROFIT AFTER INTEREST	7,660,527.58	7,277,275.11	30,131,921.57
ALLOCATIONS			
Hurricane Insurance	500,000.01	499,999.97	2,000,000.00
Donations	358,026.38	337,857.03	1,406,596.08
Profit Sharing	1,530,108.10	1,457,576.09	5,952,245.27
TOTAL OTHER CHARGES	2,388,134.49	2,295,433.09	9,358,841.35
PROFIT BEFORE TAXES	5,272,393.09	4,981,842.02	20,773,080.22
Corporation Tax @ 30%	1,581,717.93	1,488,512.19	4,257,843.05
Deferred Tax			1,344,888.00
PROFIT AFTER TAXES	3,690,675.16	3,493,329.83	15,170,349.17
Dividends	2,470,000.00	2,470,000.00	9,880,000.00
RETAINED PROFIT to date	1,220,675.16	1,023,329.83	5,290,349.17

GRENADA ELECTRICITY SERVICES LIMITED
Statement of Cash Flows
For the three months ended March 31, 2018 - 2017 and year ended December 31, 2017

	Unaudited March 31, 2018	Unaudited March 31, 2017	Audited December 31, 2017
Operating Activities			
Profit before Income Tax	5,272,393.09	4,981,842.02	20,773,080.22
Adjustments for:			
Depreciation	1,659,743.30	1,487,770.89	6,210,753.93
Profit on disposal of fixed assets	47.44	(58,420.37)	(102,920.37)
	6,932,183.83	6,411,192.54	26,880,913.78
Changes in Operating Assets / Liabilities			
(Increase) / decrease in receivables and prepayments	(1,195,492.42)	(2,568,212.21)	(2,944,472.22)
Increase in accounts payable and accrued charges	560,402.72	188,156.01	2,335,606.12
(Decrease) / Increase in provision for retirement benefits	(228,973.35)	(54,558.85)	210,423.49
(Increase) / Decrease in inventory	(1,400,381.91)	1,541,998.84	(770,871.30)
Increase in related company balance	163,321.82	16,975.03	-
Increase / (Decrease) in provision for profit sharing	1,530,108.10	1,457,576.09	(365,661.40)
	6,361,168.79	6,993,127.45	25,345,938.47
Income tax paid	(550,000.00)	(1,508,510.23)	(5,358,510.23)
Cash provided by operating activities	5,811,168.79	5,484,617.22	19,987,428.24
Investing Activities			
(Increase) in available for sale financial assets	(5,917.81)	(7,210.97)	-
Disposal of fixed assets	-	58,950.00	103,450.00
Decrease /(increase) in Suspense jobs in progress	(737,091.85)	902,005.99	674,671.08
(Increase) / decrease in Capital Work in Progress	(1,316,390.00)	(449,311.33)	2,285,369.88
(Increase) in loans and receivables financial assets	(18,720.65)	(67,984.12)	(195,325.60)
Increase in consumer contribution to line extension	135,629.29	645,228.18	2,043,602.74
Purchase of fixed assets	(2,901,394.03)	(2,256,819.74)	(15,705,946.88)
Cash provided by/(used in) investing activities	(4,843,885.05)	(1,175,141.99)	(10,794,178.78)
Financing Activities			
Dividends paid	(2,470,000.00)	(2,470,000.00)	(9,880,000.00)
Provision for hurricane insurance reserve	500,000.01	499,999.97	2,000,000.00
Repayment of Loan	(1,001,041.67)	(1,001,041.67)	(4,004,166.68)
Cash used in financing activities	(2,971,041.66)	(2,971,041.70)	(11,884,166.68)
Net Increase in cash and cash equivalents	(2,003,757.92)	1,338,433.53	(2,690,917.22)
Net cash - at the beginning of year	(835,512.89)	1,855,404.33	1,855,404.33
- at the end of period	(2,839,270.81)	3,193,837.86	(835,512.89)
Represented by			
Cash and due from banks	2,705,618.87	3,193,837.86	1,460,892.91
Bank overdraft	(5,544,889.68)	-	(2,296,405.80)
Cash and cash equivalents	(2,839,270.81)	3,193,837.86	(835,512.89)

NOTES TO THE FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2018

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 March 31, 2018 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, 2017.

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, 2017.

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, 2017.