Schedule 2
FORM ECSRC – OR

(Select One)

[X] QUARTERLY FINANCIAL REPORT for the period ended **June 30, 2023** **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:
Clive Hosten	**Benedict Brathwaite**
Signature	Signature
Date	Date

Name of Chief Financial Officer:

Lydia Courtney-Francis

Signature

Date

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 June 30, 2023, with comparatives at June 30, 2022, and December 31, 2022, of Grenlec's compliance with various financial loan covenants. At the end of the second quarter of 2023, the company made remarkable strides in bolstering its liquidity position, reflecting substantial progress compared to the initial quarter of the same year. Importantly, the coverage ratio, especially the *Debt Service Coverage Ratio* and *Funded Debt to EBITDA*, has exhibited significant improvement compared to June 2022, primarily attributed to eliminating the 25% non-fuel rate reduction in September 2022. A review of the data in the Covenant Table below indicates the Company's performance is far ahead of 2022 and surpassing Covenant Ratios in prior years, not impacted by the 25% non-fuel rate reduction.

Covenant Table

	Covenant Ratio	**June 2023**	**June 2022**	**December 2022**
Current Ratio	>= 1.35:1	2:1	1.69:1	1.99:1
Debt Service Coverage Ratio	>= 1.75:1	2.33:1	0.34:1	2.54:1
Funded Debt to EBITDA	<= 3:1	1.41:1	8.41:1	1.6:1

Grenlec's performance improved significantly in the year's second quarter compared to the equivalent period last year. Throughout the second quarter, the company achieved monthly record kWh sales, resulting in a year-to-date growth of 4.62% compared to 2022 and a 5.5% increase in sales compared to the same quarter last year. Economic conditions indicate a comprehensive bounce back from the pandemic, with the IMF projecting a 3.9% real GDP growth from 2022's 6.4% GDP growth. Inflation remains a concern, with a year-on-year increase of 3.16% (May 2023/2022).

In the first half of 2023, the Company's net assets increased from $115.87M to $127.29M. However, non-current assets decreased from $131.89 million to $130.43 million during this period, partly due to depreciation expense of $5.6 million. This decline is further augmented by the ongoing lag in investments for capital projects, with only 26% of the capital budget spent thus far. There was a significant increase in cash and cash equivalents from $975K at the end of December 2022 to $24.6M by June 2023. This substantial growth can be primarily attributed to a favorable fuel recovery rate of 126.53%, resulting in an over-recovery of $16.15M on fuel costs. Fuel prices have been trending downwards, dating back to October 2022.

Trade receivables witnessed a significant decrease of 15.2%, reaching $21.56M compared to the position in December 2022 ($25.43M). This decline was observed across all customer classes and can be credited to two factors: the reduction in fuel prices resulting in a lower electricity charge from $1.25 per kWh in December 2022 to $1.07 per kWh in June 2023 and an improvement in collections.

Moreover, debtor days experienced a noteworthy reduction of 8.17 days, decreasing to 30.19 days over the six-month period ending in June 2023. It's important to note that the current portion of the accounts receivable portfolio dropped to 71.8% from 78.2% in December 2022. Moreover, there was a rise in amounts outstanding for over 90 days, increasing to 13.9% from 11.6% during the same period.

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 half of 2023, the Company recorded a current ratio of 2:1 and was in position to meet its operational requirements at a level above the lender institution's benchmark of 1.35:1.

From January to June 2023, the average electricity rates reached $1.14/kWh, indicating a significant increase of 25.3% compared to the average rate of $0.91/kWh for the same period in 2022. This rise can be attributed to increases in both fuel and non-fuel charges when compared to the rates from the previous year. Specifically, the average non-fuel charges surged by 27.7%, escalating from $0.3306/kWh to $0.4223/kWh for the initial six months of 2023, in contrast to the equivalent period last year. The cause of this increase was the removal of the 25% reduction in the non-fuel rate that was implemented between January and September 2022. Moreover, the average fuel charge also experienced a notable increase of 24.77%, rising from $0.5459/kWh to $0.6811/kWh for the same period under consideration.

As of June 30, 2023, the Company's cash flow position, represented by cash and cash equivalents (net of overdrafts), stands at $20.24M, which is a considerable increase of $20.45M compared to the overdraft of $209K on December 31, 2022, and more than triple the amount of $6.31M recorded in June 2022. The adjusted profit for the first six months of June 2022 was $21.42M higher, mainly due to the net fuel recovery benefit exceeding that of 2022 by $20.18M.

During the year's first half, the company successfully settled its scheduled borrowing commitments of $3.27M and paid dividends to its shareholders at a rate of $0.20 cents per share, resulting in a total dividend payout of $3.8M.

Receivables decreased by $1.17M, while payables decreased by $2.26M, largely due to the increased collection and reduced fuel prices for the first six months of 2023.

The cash utilized in investing activities amounted to $4.06M as of June 30, 2023, which closely aligns with the figure of $3.54M for the same period in 2022. This expenditure primarily represents investments made in capital works in progress, suspense jobs, and purchasing of plant & machinery.

Financing activities of $7.25M are higher than the $5.71M in the first six months of 2022 and represent repayment of borrowings as scheduled and approval of the two-quarters of dividend payments at $0.10 per share per quarter.

Overall, the Company's cash position experienced a substantial increase of $20.45M in the first six months of the year. Throughout this period, the Company successfully fulfilled its substantive obligations, and based on its current cash flow projections, it is expected to continue meeting its commitments for the foreseeable future.

(b) Capital Resources

Non-expansion capital expenditure of $4.28M in the first half of 2023 was funded by the cash flow generated from internal operations. To date, only 26% of the capital budget has been spent; hence the company anticipates a ramp-up in capital spending over the next six months of the year.

The Company does not face any significant challenge with regard to capital resources for its recurrent or capital operations. It has an overdraft facility with CIBC FirstCaribbean, amounting to $6.0M. Additionally, it has $6.45M in certificates of deposits that are not associated with the Hurricane Fund that is included within the $38.64M under financial assets at amortised cost. In July 2023, CIBC operations were acquired by the Grenada Co-operative Bank Ltd. All existing arrangements were transferred.

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 six months of 2023, reflected by its Profit before interest, was $26.99M, ten times higher than 2022's $2.64M and 163% ahead of the budgeted $10.27M. This result was due to positive kWh sales growth and the removal of the 25% reduction in the non-fuel rate granted to customers for the first eight months of 2022 and a fuel recovery benefit of $16.15M, materializing through sustained fuel price decreases dating back to October 2022.

Non-fuel revenue bounced back from a dismal 2022 performance, improving by 34.2% in 2023, adding $12M to revenue compared to the first half of 2022. The average non-fuel rate returned to above 40 cents per kWh ($0.4223) from $0.3306 per kWh in 2022, following the removal of the 25% reduction. Fuel revenue for the year's first half increased by an unprecedented 30.2% to $77.03M. Fuel charges remained relatively high, reflecting world fuel prices towards the end of 2022. Despite falling world fuel prices for the first six months, fuel charges averaged $0.6811/kWh, 24.77% above the first six months of 2022 ($0.5459 per kWh) and resulting in a fuel over-recovery of a staggering $16.15M as opposed to the same period in 2022, where the company under-recovered by $7.56M.

Platts Oilgram Price Report in July shows a 9.9% increase in fuel prices since the end of June 2023. We anticipate a shift in the fuel recovery towards fuel neutrality as the average fuel charge reduces due to the falling fuel prices in the first six months of the year and the company's methodology of calculating the fuel recovery charge over a three-month rolling average.

KWh sales (excluding own use) for the first two quarters of 2023 was 4.62% (4.99 million kWh) higher than that of 2022, though marginally behind the budgeted by 0.12%. Each month for 2023 so far has exceeded the prior sales performance, with the highest monthly kWh sales in the organization's history.

Total revenue to June 2023 increased by 27.20% percent, to $124.13M, as compared to the equivalent period of 2022 ($97.61M).

Operating and administrative expenses, other than fuel, of $35.15M to June 2023 were favourable compared to the budget by 4.01%, but higher by 29.66% relative to the prior year's actual $27.11M for the same period. Increases in staff cost following union negotiations last year continued to impact the prior year variance for all departments negatively; however, Generation variance of 43.47% was significantly impacted by DG 12 overhaul cost of $2.75M, which accounted for 82% of planned overhaul expenditure for the first half of the year.

Corporate services experienced a negative variance of 1.92% compared to the budget and a more substantial negative variance of 24.92% when compared to the figures from 2022. This outcome was primarily influenced by an unforeseen fire incident that occurred in Carriacou in May 2023. The costs associated with this incident, which were accounted for under the Corporate services category, amounted to $848K by the end of June 2023. These costs primarily consisted of rental generator expenses aimed at supplementing the island's base load and ensuring a reliable power supply.

Furthermore, there was a significant increase in insurance expenditure, which rose by 21.6% to reach $1.69M in the current year, compared to $1.39M in the previous year. Discussions with our brokers revealed that this rise was a result of external factors, including the ongoing war in Ukraine, which impacted insurance rates across the region.

Interest expense of $1.10M for the six months to June 2023 was 4.35% lower than the $1.15M for the same period in 2022 and 2.65% lower than the budgeted $1.13M. This decrease was mainly due to the reduction in interest as the loan balance declined.

System losses twelve months rolling average of 6.35% in June 2023 was slightly higher than the 6.20% on June 30, 2022. Despite being higher than in 2022, the company continues to achieve System losses below the budget of 7%. The lower system losses continue to impact the fuel cost recovery rate positively. It 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 19.34 kWh's per imperial gallon in the first six months of 2023 was marginally above the 19.19 kWh per imperial gallon achieved in the same period last year and reflects the performance of the units at the plant. There have not been any changes to plant capacity in the last twelve months, and the company continues to utilize its overhaul and maintenance procedures to derive optimal performance from the plant.

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.

Major Risks and Regulatory Environment

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

  Small Scale Independent Power Producer (SSIPP) Pilot Program

  In an effort to move forward with this programme which has been long outstanding, Grenlec has highlighted the risk that the output of solar PV can be intermittent based on variations in cloud cover, which can ultimately affect the grid, especially as the level of RE penetration is increased. The company has requested the PURC to include as a mandatory requirement for such customers, an electric meter with its real time functionality and enhanced measuring capability; this, is absolutely necessary to monitor the output of the solar facility for systems at l00kW and above and mitigate this risk.

  There is a backlog of customers awaiting connection and Grenlec has decided to facilitate these customers in the interim through provision of the required meter, while the PURC include this as a requirement in the new terns of the Power Purchase Agreement (PPA) going forward and make this term mandatory.

  Grenlec anticipates that the PURC will approve the PPA on that basis so that the programme can be smoothly administered going forward.

- On June 30th, 2023, the PURC issued a response to Grenlec's Interim Tariff proposal submitted in August 2022. The document outlined a list of Determinations for the establishment of an Interim Tariff to take effect from September 1st, 2023.

  We are of the view that the above timeline for the implementation of the Determinations is insufficient to effectively test the existing CIS system and communicate to the public, risking operational and reputational damage.

  Grenlec has requested a meeting with the PURC to discuss the determinations and the roll out schedule.

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 June 30, 2023 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 six months ended June, 30 2023.

(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 and $16M in March 2021, were made during the first and second quarter ended March 31, 2023 and June 30th 2023 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.

After assessing that the company's performance in the last three (3) quarters of 2022 did not allow for the payment of dividends, payment recommenced in 2023. Out of an abundance of caution, the decision was made to pay dividends at the rate of $0.10 per share for the second quarter of 2023 instead of the usual $0.13 per share. Continuous monitoring of the company's performance to support sustained dividend payments in 2023 is being done.

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.

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

GRENADA ELECTRICITY SERVICES

Statement of Financial Position as at June 30, 2023 - 2022 and December 31, 2022

	Unaudited June 30, 2023 EC $	Unaudited June 30, 2022 EC $	Audited December 31, 2022 EC $
ASSETS			
Non Current Assets			
Property Plant and Equipment	122,169,433.18	119,979,396.14	126,213,644.42
Right to Use Assets	2,593,360.09	2,113,956.87	2,770,438.87
Suspense Jobs in Progress	1,951,566.84	1,740,258.97	1,034,892.42
Capital Work in Progress	3,719,938.92	3,542,573.98	1,873,951.72
	130,434,299.03	127,376,185.96	131,892,927.43
CURRENT ASSETS			
Inventories	25,177,098.52	28,361,966.28	28,716,746.00
Trade and Other Receivables	34,833,183.75	32,286,894.07	36,003,539.00
Income Tax Prepaid	-	2,319,174.29	554,893.71
Financial assets at amortised cost	38,637,467.97	38,507,953.20	38,525,922.00
Cash and cash equivalents	24,602,484.66	16,528,219.09	975,013.00
	123,250,234.90	118,004,206.93	104,776,113.71
TOTAL ASSETS	253,684,533.93	245,380,392.89	236,669,041.14
SHAREHOLDERS EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY			
Stated Capital	32,339,840.00	32,339,840.00	32,339,840.00
Hurricane Insurance Reserve	33,000,000.02	32,000,000.00	32,000,000.00
Retained Earnings	51,527,432.36	45,494,347.06	45,494,347.06
Profit / (Loss) to Date after Dividends	10,426,222.06	(2,282,671.07)	6,033,085.30
	127,293,494.44	107,551,515.99	115,867,272.36
Non Current Liabilities			
Consumers' Deposits	19,370,763.96	18,593,851.18	19,350,050.54
Long-term Borrowings	27,227,574.90	33,763,541.57	30,495,558.00
Leased Liabilities	2,507,937.29	2,023,931.27	2,670,897.90
Deferred tax liability	15,725,037.90	13,807,933.09	15,725,037.90
	64,831,314.05	68,189,257.11	68,241,544.34
Current Liabilities			
Short- term borrowings	10,894,374.43	16,758,998.10	7,720,088.07
Trade and other payables	28,489,931.87	36,231,801.82	30,746,459.29
Current portion of Lease Liabilities	303,439.11	347,783.25	346,731.00
Customers' contribution to line extensions	10,940,037.67	9,776,039.50	9,906,010.55
Provision for retirement benefits	515,203.67	394,491.13	249,768.49
Provision for Profit Sharing	8,527,625.55	6,130,505.99	3,591,167.04
Income tax payable	1,889,113.14	-	-
	61,559,725.44	69,639,619.79	52,560,224.44
TOTAL LIABILITIES	126,391,039.49	137,828,876.90	120,801,768.78
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	253,684,533.93	245,380,392.89	236,669,041.14

GRENADA ELECTRICITY SERVICES
STATEMENT OF COMPREHENSIVE INCOME
For the six months ended June 30, 2023 - 2022 and year ended December 31, 2022

	Unaudited June 30, 2023	Unaudited June 30, 2022	Audited December 31, 2022
INCOME			
Sales - Non Fuel Charge	47,167,931.47	35,154,815.26	78,754,519.31
- Fuel Charge	77,029,159.36	59,150,916.09	154,544,938.35
Unbilled Sales Adjustments	(1,328,813.04)	2,097,116.67	3,287,196.33
Net Sales	122,868,277.79	96,402,848.02	236,586,653.99
Other Income	1,259,250.01	1,205,326.77	2,636,927.96
TOTAL INCOME	124,127,527.80	97,608,174.79	239,223,581.95
OPERATING COSTS			
Production less Diesel Consumed	11,982,164.07	8,351,295.11	21,411,551.04
Diesel Consumed	60,880,205.84	66,709,311.01	152,600,108.32
Planning & Engineering	1,623,316.69	1,311,570.46	3,451,519.09
Distribution	9,865,056.37	8,097,151.18	18,425,211.53
TOTAL OPERATING COSTS	84,350,742.97	84,469,327.76	195,888,389.98
CORPORATE SERVICES	11,677,661.52	9,350,481.64	20,712,615.65
PROFIT BEFORE INTEREST	28,099,123.31	3,788,365.39	22,622,576.32
INTEREST			
Bank Loan Interest	738,391.51	866,654.73	1,666,215.55
Other Bank Interest	-	498.17	498.17
Consumer Deposit Interest	365,889.37	281,675.09	729,429.26
TOTAL INTEREST COSTS	1,104,280.88	1,148,827.99	2,396,142.98
PROFIT AFTER INTEREST	26,994,842.43	2,639,537.40	20,226,433.34
ALLOCATIONS			
Regulatory Fees	-	740,405.00	1,480,810.00
Donations	1,299,742.13	78,289.69	1,011,321.67
Profit Sharing	4,936,458.51	1,690,295.23	5,606,612.43
TOTAL OTHER CHARGES	6,236,200.64	2,508,989.92	8,098,744.10
PROFIT BEFORE TAXES	20,758,641.79	130,547.48	12,127,689.24
Corporation Tax @ 28%	5,532,419.71	(56,781.45)	1,707,499.13
Deferred Tax			1,917,104.81
PROFIT AFTER TAXES	15,226,222.08	187,328.93	8,503,085.30
Dividends	3,800,000.00	2,470,000.00	2,470,000.00
Hurricane Insurance	1,000,000.02	-	-
RETAINED PROFIT to date	10,426,222.06	(2,282,671.07)	6,033,085.30

GRENADA ELECTRICITY SERVICES LIMITED

Statement of Cash Flows

For the six months ended June 30, 2023 - 2022 and year ended December 31, 2022

	Unaudited June 30, 2023	**Unaudited June 30, 2022**	**Audited December 31, 2022**
Operating Activities			
Profit before Income Tax	20,758,641.79	130,547.48	12,127,689.24
Adjustments for:			
Depreciation	5,581,529.97	5,011,078.02	10,078,969.00
Amortization of customer contribution to line extension	(170,812.86)	(368,850.06)	(737,700.00)
Loss on disposal of fixed assets	1,215.99	(22,817.39)	80,393.00
	26,170,574.89	4,749,958.05	21,549,351.24
Changes in Operating Assets / Liabilities			
(Increase) / decrease in receivables and prepayments	1,170,355.25	(4,447,051.07)	(8,163,696.98)
Decrease/Increase in trade and other payables	(2,256,526.82)	5,279,912.12	(205,430.41)
Increase/(decrease) in consumers' contribution to line Extensions-refundable	1,034,027.12	627,627.68	757,598.73
(Decrease) / Increase in provision for retirement benefits	265,435.18	184,433.43	39,710.79
(Increase) / Decrease in inventory	3,539,647.48	(3,762,620.92)	(4,117,400.64)
Increase / (Decrease) in provision for profit sharing	4,936,458.51	1,690,295.23	(849,043.72)
	34,859,971.61	4,322,554.52	9,011,089.01
Income tax paid	(3,088,412.86)	(1,000,000.00)	(1,000,000.00)
Cash provided by operating activities	31,771,558.75	3,322,554.52	8,011,089.01
Investing Activities			
Proceeds from Disposal of property plant and equipment	85,200.00	22,817.39	36,600.00
Decrease /(increase) in Suspense jobs in progress	(916,674.42)	(534,733.67)	170,632.88
(Increase) / decrease in Capital Work in Progress	(1,845,987.20)	(1,991,219.98)	(322,597.72)
(Increase)/decrease in financial assets	(111,545.97)	(41,253.21)	(59,222.01)
Addition to right to use assets	0.00	-	(468,759.76)
Purchase of property, plant and equipment	(1,275,844.08)	(996,255.03)	(11,407,230.40)
Cash provided by/(used in) investing activities	(4,064,851.67)	(3,540,644.50)	(12,050,577.01)
Financing Activities			
Dividends paid	(3,800,000.00)	(2,470,000.00)	(2,470,000.00)
Payment of principal portion of lease liabilities	(206,252.50)	(159,247.12)	(340,362.00)
Proceeds from borrowings	-	-	-
Repayment of borrowings	(3,267,983.10)	(3,267,983.35)	(6,535,966.00)
Increase (decrease) in consumers' deposits	20,713.42	185,264.11	941,464.00
Cash used in financing activities	(7,253,522.18)	(5,711,966.36)	(8,404,864.00)
Net Increase in cash and cash equivalents	20,453,184.90	(5,930,056.34)	(12,444,352.00)
Net cash - at the beginning of year	(209,108.00)	12,235,244.00	12,235,244.00
- at the end of period	20,244,076.90	6,305,187.66	(209,108.00)
Represented by			
Cash and cash equivalents	24,602,484.66	16,528,219.09	975,013.00
Bank overdraft	(4,358,407.76)	(10,223,031.43)	(1,184,121.00)
Cash and cash equivalents	20,244,076.90	6,305,187.66	(209,108.00)

NOTES TO THE FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2023

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. The Government of Grenada owns the majority of its shares (71.4%) as of December 24th, 2020.

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

The Company operates under the Electricity Act 19 of 2016 and has a licence for the exercise and performance of 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, Grenada.

2. Basis of Preparation

The interim financial report for the period ended June 30, 2023, 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, 2022.

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, 2022.

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, 2022.