Schedule 2
FORM ECSRC - Q

(Select One)

Quarterly Report For the period ended **September 30, 2015**

or

TRANSITION REPORT ________________________________
(Applicable where there is a change in reporting issuer's financial year)

For the transition period from _________ to ______________

Issuer Registration Number: **GRENLEC27091960GR**

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 Quarterly 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

Collin Cover

Signature

29th Oct 2015

Date

Name of Director:

Wayne Burks

Wayne Burks

Signature

29th Oct 2015

Date

Name of Chief Financial Officer:

Benedict Brathwaite

B.A. Brathwaite

Signature

29.10.15

Date

INFORMATION TO BE INCLUDED IN THE REPORT

1. Financial Statements

(a) Included herewith are the following unaudited Financial Statements:

1. Statement of Financial Position at September 30, 2015.
2. Statement of Comprehensive Income for the nine months to September 30, 2015.
3. Statement of Cash Flow for the nine months to September 30, 2015.

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

(a) Liquidity

As at the end of the third quarter of 2015 the Company recorded a current ratio of 2.68:1 and was in position to meet its operational requirements at a level above lender institutions' benchmark of 1.50:1.

The average electricity rate over the first nine months of 2015 was $0.91/kWh, a decline of 20.18 percent ($0.23kWh) as compared to the same period last year. This decrease was driven by two main factors; (1) the 34.6 percent reduction in average fuel charge (from $0.6313/kWh to 0.4130/kWh) for the January to September period as compared to this period last year (2) the decline in average non-fuel charge in the first nine months as compared to the same period in 2014 from $0.4472/kWh to $0.4332 (3.1 percent).

The largest source of positive operating cash flow for the first nine months of the year came from the decrease in trade and other receivables of 28.3 percent, or $8.57M. The main contributing factors to this were (i) the previously discussed reduction in electricity rates (ii) an improvement in debtors collection days by 9 days (from 51 to 42 days) (iii) the 76.28 percent decline in amounts receivable from the Government of Grenada (GOG) from $5.06M in December 2014 to $1.20M in September 2015.

Cash provided by operating activities for the nine months to September 30, 2015 of $26.87M represents 73.7 percent of that for the entire year of 2014 and 144.9 percent of the equivalent period of 2014. Overall, during the first nine months of the year, the cash position grew by $6.57M after making principal payments on borrowings of $5.88M and paying dividends of $7.41M at thirteen cents per share, per quarter. Additionally, in this period instalments of Company tax totalling $5.25M were made. The cash balance at the end of the third quarter was $19.45M.

The Company met all of its obligations in the first nine months of the year, and, based on its current cash flow projections; it can be expected to maintain this for the foreseeable future.

These projections were inclusive of an amount of $7.93M, likely to be paid to the Trustees of the non-management employees' Trust by year end 2015, thereby fully funding that Trust registered with GARFIN on February 10, 2015. The Trustees of the non-management employees' Trust are still in the process of establishing bank accounts.

(b) Capital Resources

Capital expenditure of $4.39M in the first three quarters of 2015 was funded from internal operations. This is expected to be the same with the balance of the 2015 capital budget of $1.25M, as it is not subject to any agreement that would require capital expenditures on a designated schedule. Over the years the Company has only utilized external funding for major capital projects.

The Company, as part of its strategic plan, has set a target of having 20 percent of its generation capacity from renewable energy by 2020. To achieve this goal will require the Company to make capital investments in solar photovoltaics and or wind turbine farms beginning at the earliest opportunity. To date, there has been no marked progress in this regard as the Company has been unsuccessful in its attempts to secure access to suitable land for these purposes. As such, greater emphasis has been placed on small scale photovoltaic projects to meet this target. Board approval was obtained in September 2015 to proceed with these. It is expected that 937KW of small scale photovoltaic projects will be completed by the end of July 2016. This will bring the total installed capacity owned by the Company to over 1MW.

The Company has continued to explore options with regards to funding a wind project in Carriacou that will not substantially exceed its original amount targeted for the European Union (EU)/GOG/GRENLEC project. The decision was taken to undertake a smaller scale project as the support of EU is no longer forthcoming. This too has had its inherent obstacles as the Company has encountered great difficulty in obtaining suppliers' interests due to the relatively small size of the anticipated project.

As far as major generation expansion that will require external financing is concerned, the Company remains uncertain of its likelihood in 2015.

c) Changes in Financial Condition

The following table provides information as at September 30, 2015 with comparatives at September 30, 2014 and December 31, 2014 of GRENLEC's compliance with various financial loan covenants. All the covenants have easily been exceeded with a widening variance in most cases.

Covenant Table

	Covenant Ratio	September 2015	September 2014	December 2014
Current Ratio	>= 1.50:1	2.68:1	2.22:1	2.33:1
Interest Coverage Ratio	>= 2:1	20.84:1	17.66:1	17.19:1
Debt Service Coverage Ratio	>= 1.50:1	4.46:1	4.36:1	4.27:1
Bank Borrowing to Equity Ratio	<= 1.25:1	0.12:1	0.21:1	0.17:1
Equity to Assets	>= 30%	62.74%	57.07%	58.60%

In the first nine months of 2015 the Company's net assets increased from $93.60M to $100.48M. Property plant and equipment decreased from $77.56M to $72.97M in this period, due primarily to depreciation expense of $7.81M. Capital work in progress increased from $2.18M to $3.25M in the nine months to September 2015 as the Company continued to make routine non expansion capital expenditures financed from internal operations.

Trade and other receivables decreased by $8.57M, over the nine months to September 2015, from $30.26M. GOG receivables decreased by 76.3 percent while that for non-GoG also decreased by 21.7 percent over the same period of the year. All sectors reflected this decrease ranging from 18.6 percent for domestic to 53.9 percent for statutory bodies.

d) Results of Operation

The Company's financial performance for the first three quarters of 2015, reflected by its profit before interest, showed a 3.5 percent decline as compared to the same period in 2014, a reduction of $1.01M to $28.14M.

KWh sales grew by 1.58 percent, over the same period in 2014 but this would only have partially offset a decrease in non-fuel rates of 3.2 percent implemented November 1, 2014. The resulting decline in non-fuel revenue was 1.4 percent. The growth in kWh sales occurred in the two major sectors with the commercial sector expanding by 2.4 percent and the domestic by 1 percent while the industrial sector contracted by 4.6 percent.

Total revenue to September 2015 declined by 21 percent, to $114.26M as compared to the equivalent period of 2014. The 41.1 percent decline in average fuel prices to $5.98 per imperial gallon, in comparison with that at September 2014, led to reduced fuel charge rates. As such, the fuel charge revenue declined by 33.6 percent from $84.15M to $55.88M, mainly accounting for the decreased revenue.

The fuel cost recovery rate over the first nine months was 118.2 percent producing a net benefit of $8.61M compared to the $5.8M from a rate of 107.4 percent over the equivalent period of 2014. This recovery rate has been driven mainly by declining fuel prices which had a significant positive impact in particular over the first three months of 2015.

Operating and administrative expenses other than fuel increased by 2.9 percent in the first three quarters of 2015 relative to the comparative period in 2014. All the departments showed a negative variance in their operating expenses in comparison to the same period in 2014, an average of 3.2 percent each. These increases were partially due to the conclusion of union negotiations and a wage increase of 2.5 percent applicable for 2015. Timing of maintenance work in both Generation and Distribution also impacted the increase and it is expected that the variance will decrease during the remainder of the year. The Company has continued to maintain tight controls over costs as it recognises that with the decrease in the non-fuel charge rate, sales growth in excess of 3.2 percent will be required to have an increase in non-fuel revenue. Over the first nine months of 2015 operating expenses were lower than budget by 1.6 percent.

Interest costs of $1.5M in the first nine months of 2015 reflects a decline of 17.6 percent compared to the $1.82M to September 2014. This is in keeping with the Company's reduction of its borrowings by making payments as scheduled.

System losses twelve months rolling average of 8.27 percent at September 30, 2015 was above the 7.08 percent for 2014. This would have negatively impacted the fuel cost recovery rate despite its comparatively higher numbers for the period under review. 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 to ensure that an upward trend is not established.

Fuel efficiency of 19.28kWh's per imperial gallon in the first nine months of 2015 exceeds the 19.25kWh's achieved in the same period last year and represents a 0.1 percent improvement. Fuel efficiency for 2014 was 19.22kWh's per imperial gallon. This, like system losses, is very important as it is a key performance indicator for the Company and has a significant impact on its financial performance.

3. Disclosure of Risk Factors.

With each passing period the Hurricane Reserve, increases and presently stands at $19.5M 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 $19.5M is more than the pre Ivan level of $14M.

- An amendment to the Electricity Supply Act No, 39 of 2013 was enacted as of December 31, 2013. This amendment adjusted the concessions of all customs and other import duties on the importation of all plant, machinery, equipment, meters, instruments, fuel, lubricants and materials to which the Company was entitled, from 100 percent to 50 percent. In 2014 the amendment meant additional duties paid by GRENLEC of 350K which by itself was not excessive. However, in years in which large capital expenditure is required this amount can be substantially higher. The same amendment also imposed duty on imported fuel. The duty on the fuel has not yet been applied although it remains in effect. While this amendment by itself does not pose a risk, it increases the possibility that further unilateral amendments which may be inconsistent with the majority shareholders Grenada Private Power Ltd (GPP) Share Purchase Agreement (SPA) might be pursued.

- In February 2015, the GOG held a public consultation on a draft Electricity Supply Bill. The intention of the draft bill is to separate generation and transmission entities to allow competition in both the generation and distribution areas, and to increase generation by renewable energy. The Bill provides for the removal of the exclusive license that GRENLEC currently holds over the generation and transmission and distribution of electricity. GRENLEC is willing to collaborate with the GOG to seek ways to improve the quality of electricity services at the lowest possible costs. However, it is GRENLEC's view that the draft bill as presented is likely to drive costs higher and threaten the reliability of the electricity grid. The Company's majority shareholder GPP could therefore find that it is left with no option but to pursue all available legal remedies to protect its contractual agreements. On April 1, the GOG and the Company met and held discussions on the Electricity Supply Bill. It was agreed that a mediation group acceptable to both parties would be used to facilitate future discussions. Since then both parties have agreed on a facilitator but subsequent meetings have not been held.

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

4. Legal Proceedings.

There were no pending legal proceedings outstanding as at September 30, 2015 that could materially impact on the Company's position.

5. Changes in Securities and Use of Proceeds.

There were no changes in securities during the quarter ended September 30, 2015.

6. Defaults Upon Senior Securities.

a) Payments of principal and interest to the Eastern Caribbean Securities Exchange (ECSE) for the Grenlec Bond and the National Insurance Board (NIB) and on their respective loans have been made during the quarter ended September 30, 2015 as per existing agreements.

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

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

None

8. Other Information.

None

GRENADA ELECTRICITY SERVICES

Statement of Financial Position as at September 30, 2015-2014 and December 31, 2014

	Unaudited September 30, 2015 EC $	Unaudited September 30, 2014 EC $	Audited December 31, 2014 EC $
ASSETS			
Non Current Assets			
Property Plant and Equipment	72,972,976.10	75,005,038.31	77,555,062.00
Suspense Jobs in Progress	2,280,271.28	2,202,838.41	1,893,828.00
Capital Work in Progress	3,254,328.72	5,260,585.02	2,178,152.00
Deferred Exchange Loss	205,560.33	1,207,245.79	205,560.00
Available-for-sale financial assets	860,021.37	856,594.01	872,120.00
	79,573,157.80	84,532,301.54	82,704,722.00
CURRENT ASSETS			
Inventories	16,613,078.78	15,061,586.31	14,901,584.00
Trade and Other Receivables	21,680,942.84	38,499,792.36	30,255,489.00
Segregated Retirement Investments	6,145,359.04	6,793,830.88	6,134,198.00
Income Tax Prepaid	-	188,606.61	-
Loans and receivables financial assets	41,182,198.89	32,630,286.91	37,327,224.00
Cash and cash equivalents	19,452,890.27	7,389,302.55	12,885,921.00
	105,074,469.82	100,563,405.62	101,504,416.00
TOTAL ASSETS	184,647,627.62	185,095,707.16	184,209,138.00
SHAREHOLDERS EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY			
Stated Capital	32,339,840.00	32,339,840.00	32,339,840.00
Other Reserve	8,040.00	8,308.00	8,040.00
Retained Earnings	61,247,152.20	51,126,250.61	61,247,152.00
Profit / (Loss) to Date after Dividends	6,882,648.24	7,806,481.36	-
	100,477,680.44	91,280,879.97	93,595,032.00
Non Current Liabilities			
Consumers' Deposits	13,638,548.36	12,270,328.34	12,890,373.00
Long-term Borrowings	11,824,751.76	18,757,974.31	16,224,680.00
Provision for Hurricane Insurance Reserve	19,500,000.03	17,500,000.03	18,000,000.00
	44,963,300.15	48,528,302.68	47,115,053.00
Current Liabilities			
Amount Due to Related Company	7,509.81	140,464.07	164,964.00
Short- term borrowings	6,203,224.47	10,963,492.33	7,687,615.00
Trade and other payables	11,886,547.27	15,731,082.32	16,674,611.00
Consumers' Advances for Construction	1,154,643.98	849,640.49	941,354.00
Current portion of provision for retirement benefits	14,190,516.01	12,604,009.20	12,791,719.00
Provision for Profit Sharing	4,685,603.03	4,997,836.10	5,038,532.00
Income Tax payable	1,078,602.46	-	200,258.00
	39,206,647.03	45,286,524.51	43,499,053.00
TOTAL LIABILITIES	84,169,947.18	93,814,827.19	90,614,106.00
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	184,647,627.62	185,095,707.16	184,209,138.00

GRENADA ELECTRICITY SERVICES
STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2015-2014 and year ended December 31, 2014

	Unaudited September 30, 2015	Unaudited September 30, 2014	Audited December 31, 2014
INCOME			
Sales - Non Fuel Charge	58,589,670.48	59,385,030.91	77,070,193.78
- Fuel Charge	55,876,927.28	84,155,963.14	111,450,441.69
Unbilled Sales Adjustments	(1,287,384.79)	521,614.48	(345,350.32)
Net Sales	113,179,212.97	144,062,608.53	188,175,285.15
Sundry Revenue	1,084,777.66	1,190,541.31	1,732,155.86
TOTAL INCOME	114,263,990.63	145,253,149.84	189,907,441.01
OPERATING COSTS			
Production less Diesel Consumed	10,632,445.73	10,309,742.85	13,834,296.78
Diesel Consumed	47,265,061.55	78,353,406.51	99,348,392.83
Hurricane Provision	1,500,000.03	1,500,000.03	2,000,000.00
Planning & Engineering	2,009,421.78	1,935,710.32	2,578,336.36
Distribution	12,336,860.63	12,002,588.41	16,232,219.41
TOTAL OPERATING COSTS	73,743,789.72	104,101,448.12	133,993,245.38
CORPORATE SERVICES	12,380,612.72	12,005,241.87	18,595,857.87
PROFIT BEFORE INTEREST	28,139,588.19	29,146,459.85	37,318,337.76
INTEREST			
Bank Loan Interest	1,120,557.82	1,482,622.82	1,966,009.44
Other Bank Interest	-	1,720.61	1,720.61
Consumer Deposit Interest	377,700.26	334,834.30	461,695.89
TOTAL INTEREST COSTS	1,498,258.08	1,819,177.73	2,429,425.94
PROFIT AFTER INTEREST	26,641,330.11	27,327,282.12	34,888,911.82
OTHER CHARGES			
Disposal of Fixed Assets	(30,857.14)	(21,093.74)	(30,580.47)
Donations	1,333,609.75	1,367,413.18	1,745,974.61
Profit Sharing	4,920,505.41	5,057,466.09	6,326,480.99
TOTAL OTHER CHARGES	6,223,258.02	6,403,785.53	8,041,875.13
PROFIT BEFORE TAXES	20,418,072.09	20,923,496.59	26,847,036.69
Corporation Tax @ 30%	6,125,423.85	6,277,015.23	7,606,135.10
PROFIT AFTER TAXES	14,292,648.24	14,646,481.36	19,240,901.59
Dividends	7,410,000.00	6,840,000.00	9,120,000.00
RETAINED PROFIT to date	6,882,648.24	7,806,481.36	10,120,901.59

GRENADA ELECTRICITY SERVICES LIMITED

Statement of Cash Flows

For the nine months ended September 30, 2015 - 2014 and year ended December 31, 2014

	Unaudited September 30, 2015	Unaudited September 30, 2014	Audited December 31, 2014
Operating Activities			
Profit before Income Tax	20,418,072.09	20,923,496.59	26,847,037.00
Adjustments for:			
Depreciation	7,807,739.90	7,878,659.77	10,493,331.00
Profit on disposal of fixed assets	(30,857.14)	(21,093.74)	(30,580.00)
	28,194,954.85	28,781,062.62	37,309,788.00
Changes in Operating Assets / Liabilities			
Decrease/ (increase) in receivables and prepayments	8,574,546.03	(3,153,281.54)	5,091,021.00
(Decrease) / Increase in accounts payable and accrued charges	(3,826,598.39)	1,341,132.15	2,996,419.00
Increase / (Decrease) in provision for retirement benefits	1,398,797.01	(3,516,564.80)	(3,328,855.00)
(Increase)/ Decrease in inventory	(1,711,494.78)	135,716.69	295,719.00
(Decrease)/Increase in related company balance	(157,454.19)	48,493.07	72,993.00
Payment of income tax	(5,247,079.39)	(5,557,029.84)	(6,497,285.00)
(Decrease)/Increase in provision for profit sharing	(352,928.97)	469,142.10	509,838.00
Cash provided by operating activities	26,872,742.17	18,548,670.45	36,449,638.00
Investing Activities			
Decrease in available for sale financial assets	12,098.63	15,793.99	268.00
Disposal of fixed assets	38,250.00	21,500.00	31,500.00
Increase in Suspense jobs in progress	(386,443.28)	(520,220.41)	(211,210.00)
(Increase) / Decrease in Capital Work in Progress	(1,076,176.72)	(2,358,271.02)	724,162.00
Increase in loans and receivables financial assets	(3,854,974.89)	(1,720,083.91)	(6,417,021.00)
(Increase) / Decrease in segregated investment	(11,161.04)	3,200,065.12	3,859,698.00
Decrease / (Increase) in consumer contribution to line extension	80,100.19	(418,923.33)	(597,630.00)
Purchase of fixed assets	(3,313,147.05)	(557,326.01)	(5,543,828.00)
Increase in other reserves	-	-	(268.00)
Cash provided by/(used in) investing activities	(8,511,454.16)	(2,337,465.57)	(8,154,329.00)
Financing Activities			
Provision for hurricane insurance reserve	1,500,000.03	1,500,000.03	2,000,000.00
Repayment of Loan	(5,884,318.77)	(5,884,271.25)	(7,380,286.00)
Dividends paid	(7,410,000.00)	(6,840,000.00)	(9,120,000.00)
Cash used in financing activities	(11,794,318.74)	(11,224,271.22)	(14,500,286.00)
Net Increase in cash and cash equivalents	6,566,969.27	4,986,933.66	13,795,023.00
Net cash - at the beginning of year	12,885,921.00	(909,102.00)	(909,102.00)
- at the end of period	19,452,890.27	4,077,831.66	12,885,921.00
Represented by			
Cash and due from banks	19,452,890.27	7,389,302.55	12,885,921.00
Bank overdraft	-	(3,311,470.89)	-
	19,452,890.27	4,077,831.66	12,885,921.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

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 under the Electricity Supply Act 18 of 1994 (as amended) and has an exclusive 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's, Grenada.

2. Basis of Preparation

The interim financial report for the period ended September 30, 2015 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, 2014.

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, 2014.

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, 2014.