Grenada Electricity Services Limited

Financial Statements

For The Year Ended 31 December 2025
(Expressed in Eastern Caribbean Dollars)

GRENADA ELECTRICITY SERVICES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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GRENADA ELECTRICITY SERVICES LIMITED

COMPANY PROFILE

Directors: (As at 31 December 2025)	 James Pitt - ***Chairman*** Lazarus Antoine Allan Bierzynski Dorsett Cromwell Cyril Roberts Andrea St. Bernard Teddy St. Louis Hugh Thomas
General Manager/CEO:	Leroy A.E. Abraham
Secretary:	Lydia Courtney-Francis
Registered Office:	Dusty Highway Grand Anse St. George Grenada
Bankers:	ACB Bank Grenada Grand Anse St. George, Grenada Grenada Co-operative Bank Limited Church Street St. George's, Grenada Republic Bank (Grenada) Limited Republic House Grand Anse St. George, Grenada
Attorney-At-Law:	Afi Ventour & Co. Grand Anse St. George, Grenada
Independent Auditor:	Ernst & Young Rodney Bay Gros Islet St. Lucia

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GRENADA ELECTRICITY SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Grenada Electricity Services Limited ("the Company"), which comprise the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Grenada. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters are addressed in the context of our audit of the financial statements as a whole and in forming our opinions thereon, and we do not provide a separate opinion on these matters. There were no key audit matters to communicate.

Other information included in the Company's 2025 Annual Report
Other information consists of the information included in the Company's 2025 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and we will not express any form of assurance conclusion.

Shape the future
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GRENADA ELECTRICITY SERVICES LIMITED

Report on the Audit of the Financial Statements (Continued)

Other information included in the Company's 2025 Annual Report (Continued)
In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GRENADA ELECTRICITY SERVICES LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditor's report is Rishi Ramkissoon.

Ernst & Young.

CHARTERED ACCOUNTANTS
St. Lucia
3 July 2026

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	2024 $
ASSETS			
Non-current assets			
Property, plant, and equipment	4	135,533,154	129,480,034
Right-of-use assets	5	2,125,819	2,505,396
Suspense jobs in progress	6	1,014,068	600,818
Capital work in progress	6	5,725,458	6,181,996
		144,398,499	138,768,244
Current assets			
Inventories	8	36,748,231	33,705,590
Trade and other receivables	9	42,386,446	39,932,478
Corporation tax recoverable	24	3,667,075	5,171,742
Financial assets at amortised cost	7	50,028,296	40,322,277
Cash on hand and at bank	11	745,735	21,541,658
		133,575,783	140,673,745
TOTAL ASSETS		277,974,282	279,441,989
EQUITY AND LIABILITIES			
Equity			
Stated Capital	12	32,339,840	32,339,840
Hurricane insurance reserve	16	33,909,667	33,909,667
Retained earnings		68,397,264	64,779,566
		134,646,771	131,029,073
Non-current liabilities			
Customers' deposits	13	21,780,697	21,338,889
Long-term borrowings	14	9,825,989	17,432,803
Long-term portion of lease liabilities	5	2,101,196	2,517,992
Deferred income (CCRIF)	19	20,845,981	21,805,691
Deferred tax liability	24	20,017,610	18,473,082
		74,571,473	81,568,457
Current liabilities			
Short-term borrowings	14	7,525,281	6,535,967
Trade and other payables	17	41,456,121	41,467,885
Current portion of lease liabilities	5	369,680	350,064
Customers' contribution to line extensions	18	14,975,458	13,865,799
Retirement benefits payable	15	501,565	515,032
Profit sharing payable	17	3,927,933	4,109,712
		68,756,038	66,844,459
TOTAL LIABILITIES		143,327,511	148,412,916
TOTAL EQUITY AND LIABILITIES		277,974,282	279,441,989

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on **3 July 2026** and signed on its behalf by:

....:Director ....:Director

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	2024 $
REVENUE			
- Non-fuel charge	20	109,263,648	109,701,680
- Fuel charge		133,573,270	141,029,641
Unbilled revenue adjustments	2(v)	886,923	(2,750,500)
Gross revenue		243,723,841	247,980,821
Other income	21	2,823,014	4,618,575
Total income		246,546,855	252,599,396
LESS: OPERATING EXPENSES			
Production expenses		(42,097,884)	(39,024,561)
Diesel consumed		(133,573,270)	(141,029,641)
Administrative expenses		(26,882,149)	(26,138,904)
Distribution services		(20,124,920)	(22,651,293)
Planning and engineering		(3,082,498)	(3,049,273)
Total operating expenses	22	(225,760,721)	(231,893,672)
Operating profit		20,786,134	20,705,724
Less: Finance costs	23	(1,744,088)	(1,990,804)
Profit for the year before allocations and taxation		19,042,046	18,714,920
ALLOCATIONS			
Less – Regulatory fees		(2,546,889)	(2,388,626)
Profit sharing		(5,268,265)	(5,934,293)
		(7,815,154)	(8,322,919)
Profit for the year before taxation		11,226,892	10,392,001
Taxation	24	(3,049,194)	(2,835,345)
NET PROFIT FOR THE YEAR		8,177,698	7,556,656
TOTAL COMPREHENSIVE INCOME		8,177,698	7,556,656
EARNINGS PER SHARE ($ per share)	26	**0.43**	**0.40**

The accompanying notes form an integral part of these financial statements.

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

	Stated Capital (Note 12) $	Hurricane Insurance Reserve (Note 16) $	Retained Earnings $	Total Equity $
Balance at 1 January 2024	32,339,840	33,909,667	63,302,910	129,552,417
Dividends (Note 29)	-	-	(6,080,000)	(6,080,000)
Total comprehensive income	-	-	7,556,656	7,556,656
Balance at 31 December 2024	32,339,840	33,909,667	64,779,566	131,029,073
Balance at 1 January 2025	32,339,840	33,909,667	64,779,566	131,029,073
Dividends (Note 29)	-	-	(4,560,000)	(4,560,000)
Total comprehensive income	-	-	8,177,698	8,177,698
Balance at 31 December 2025	32,339,840	33,909,667	68,397,264	134,646,771

The accompanying notes form an integral part of these financial statements.

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	2024 $
OPERATING ACTIVITIES			
Profit for the year before taxation		11,226,892	10,392,001
Adjustments for:			
Depreciation on property, plant, and equipment, and right-of-use assets	4,5	12,814,777	11,340,356
Loss on disposal of property, plant, and equipment	21	-	581,088
Movement in provision for inventory obsolescence	8	39,285	(76,073)
Finance costs	23	1,744,088	1,990,804
Amortisation of deferred income	19	(228,475)	(15,058)
Net change in provision for other liabilities and charges		914,413	344,406
Operating surplus before working capital changes		26,510,980	24,557,524
(Increase) in trade and other receivables		(2,453,968)	(2,793,320)
(Increase) in inventories (net)		(3,081,927)	(4,824,183)
(Decrease)/increase in trade and other payables		(64,345)	5,303,248
(Decrease)/increase in deferred income	19	(731,234)	21,820,749
		20,179,506	44,064,018
Income tax paid		-	(6,269,278)
Interest and finance charges paid		(1,691,507)	(1,936,507)
Cash provided by operating activities		18,487,999	35,858,233
INVESTING ACTIVITIES			
Proceeds on disposal of property, plant, and equipment		-	182,604
(Purchase)/disposal of financial assets (net)		(9,706,019)	68,842
Purchase of property, plant, and equipment	4,6	(18,445,031)	(18,661,157)
Cash used in investing activities		(28,151,050)	(18,409,711)
FINANCING ACTIVITIES			
Dividends paid	29	(4,560,000)	(6,080,000)
Payment of principal portion of lease liabilities	5	(397,180)	(306,385)
Repayment of borrowings	14	(7,978,614)	(7,076,464)
Customers' deposits (net)	13	441,808	845,623
Cash used in financing activities		(12,493,986)	(12,617,226)
Net (decrease)/increase in cash and cash equivalents		(22,157,037)	4,831,296
Cash and cash equivalents			
- at the beginning of year		21,541,658	16,710,362
- at the end of year	11	(615,379)	21,541,658

The accompanying notes form an integral part of these financial statements.

1. CORPORATE INFORMATION

Grenada Electricity Services Limited (the Company) is incorporated in Grenada. It generates and supplies electricity throughout Grenada, Carriacou, and Petite Martinique.

As at 31 December 2025, the Government of Grenada owned 71.4% of the Company's ordinary share capital.

The National Insurance Scheme holds 11.6% of the ordinary share capital, while the general public holds the remaining 17%.

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

The Company operates under the Electricity Act 19 of 2016 and has a licence for exercising and performing functions relating to electricity supply in Grenada. The Company is listed on the Eastern Caribbean Securities Exchange.

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

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

(a) Basis of preparation

The Company's financial statements have been prepared in accordance with IFRS Accounting Standards under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the company’s accounting policies. Although those estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures

(i) New accounting standards, amendments, and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendment to IFRS effective as of 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **Lack of Exchangeability – Amendments to IAS 21**
  In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. A currency is exchangeable when the entity can obtain the other currency within a timeframe that allows for a normal administrative delay and through an enforceable market mechanism. If exchangeability is lacking, an entity is required to estimate the spot exchange rate at the measurement date to reflect the rate at which an orderly exchange between market participants would occur under prevailing economic conditions. The amendments are effective for annual periods beginning on or after 1 January 2025 and prohibit restatement of comparatives.

  Management assessed these amendments and concluded that there was no impact on the Company's financial statements for the year ended 31 December 2025, as none of the Company's transactions, balances, or exposures involve currencies lacking exchangeability.

(ii) Standards in issue not yet effective

The standards and amendments that have been issued but are not yet effective for the year ended 31 December 2025, are listed below. The Company has not early adopted these pronouncements and will apply them when they become effective. The Company is currently assessing its impact.

- **Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 effective for reporting periods beginning on or after 1 January 2026**
  These amendments clarify the derecognition of financial liabilities, including an option for certain electronic payment systems; assess contractual cash flows for ESG-linked and other contingent features; address non-recourse/contractually linked instruments; and introduce expanded disclosures. Retrospective application with an opening equity adjustment; prior periods need not be restated.

2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

- **Annual Improvements to IFRS Accounting Standards – Volume 11, effective for reporting periods beginning on or after 1 January 2026**
  The annual improvements include minor amendments to several IFRS Accounting Standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. The amendments mainly clarify wording, remove inconsistencies, and update cross-references within the standards. Early adoption is permitted.

- **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 effective for reporting periods beginning on or after 1 January 2026**
  These amendments guide contracts referencing electricity generated from nature-dependent sources such as wind or solar. The amendments clarify the application of the 'own-use' exemption, permit certain forecast electricity transactions to be designated as hedged items in cash flow hedge relationships, and introduce additional disclosure requirements for such contracts.

- **IFRS 18 Presentation and Disclosure in Financial Statements- effective for reporting periods beginning on or after 1 January 2027**
  IFRS 18 replaces IAS 1 and introduces new requirements for the presentation of financial performance, including defined categories and subtotals in the statement of profit or loss and disclosures of management-defined performance measures (MPMs). The standard also provides guidance on the aggregation and disaggregation of financial information and is applied retrospectively.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures- effective for reporting periods beginning on or after 1 January 2027**
  IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply the recognition, measurement, and presentation requirements of other IFRS Accounting Standards. Early adoption is permitted.

- **Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 for reporting periods beginning on or after 1 January 2027**
  These amendments provide guidance for entities whose functional currency is non-hyperinflationary but whose presentation currency is hyperinflationary. The amendments require translation of financial statements using the closing exchange rate and introduce additional disclosure requirements. Early adoption is permitted.

2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(iii) Change in Comparative Information (Customer Credit Balances)

During the year, the Company reassessed the presentation of credit balances that had previously been included within Trade and Other Receivables in the comparative period. These amounts, which are related to customer overpayments and other credits, represent obligations to customers and therefore meet the definition of liabilities under IAS 1. In accordance with IAS 1.38 and IAS 1.40–41, the comparative information for the year ended 31 December 2024 has been reclassified to present these balances within Trade and Other Payables to ensure consistent and fair presentation.

This change in comparative affects presentation only and does not result in any change to the company’s net assets for the comparative period, as the credits previously offset within receivables are now appropriately reflected as liabilities. There is no impact on the statement of comprehensive income or the statement of cash flows. As the adjustment does not materially affect the opening balances of the earliest comparative period, a third statement of financial position has not been presented, consistent with IAS 1.40A.

Comparative note disclosures relating to Trade and Other Receivables and Trade and Other Payables have been updated to reflect this change; however, the change impacts presentation only and does not affect the Company’s financial performance, cash flows, or net assets.

2. MATERIAL ACCOUNTING POLICIES (continued)

(c) Property, plant, and equipment

Property, plant, and equipment are stated at historical cost, less accumulated depreciation and impairment losses. Historical cost includes expenditures directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. They are recognised as income in the statement of comprehensive income.

Subsequent expenditure
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing and other repairs and maintenance of property, plant and equipment are recognised in the statement of comprehensive income during the financial period they are incurred.

Depreciation
Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably sure that the Company will obtain ownership by the end of the lease term.

Land is not depreciated. No depreciation is provided on work-in-progress until the assets are completed and available for use.

2. MATERIAL ACCOUNTING POLICIES (continued)

(c) Property, plant, and equipment (continued)

Depreciation (continued)
The annual rates of depreciation for the current and comparative periods are as follows:

	% per annum
Building and construction	2.5 - 10
Plant and machinery	3.3 - 50
Motor vehicles	15
Furniture and equipment	1 - 20

When depreciable property, plant, and equipment other than motor vehicles and property are retired, the gross book value less proceeds net of retiral expense is charged to accumulated depreciation. For material disposals of motor vehicles and property, the asset cost and accumulated depreciation are removed with any gain or loss credited or charged to current operations.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for trading
- Expected to be realised within twelve (12) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period

All other assets are classified as non-current.

2. MATERIAL ACCOUNTING POLICIES (continued)

(d) Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve (12) months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The terms of the liability that could, at the counterparty's option, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current, including deferred tax assets and liabilities.

(e) Foreign currency translation

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The Eastern Caribbean Dollar is the Company’s functional currency and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the statement of comprehensive income.

All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other gains/(losses).

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial investments

The Company has classified its financial investments as loans and receivables. Management determines the classification at initial recognition and reviews the designation at every reporting date. The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise cash resources, trade, and other receivables.

ii. Impairment of financial assets

The Company assesses whether there is objective evidence that a financial asset is impaired at each statement of financial position date.

The Company applies a simplified approach to calculating expected credit losses for trade receivables. Therefore, the Company does not track changes in credit risk but recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company considers its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are ninety (90) days past due. However, in some instances, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial investments (continued)

ii. Impairment of financial assets (continued)

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due and shared credit risk characteristics and reflect the probability-weighted outcome, the time value of money and reasonable and supportable information available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators include the failure of a debtor to make contractual payments and the failure of the debtor to engage in a repayment plan with the Company.

Expected credit losses are presented in administrative expenses in the statement of comprehensive income. Subsequent recoveries are credited against the same line item.

Provision is made as follows:

- 100% on receivables ≥90 days
- 50% on receivables ≥60 days
- 0.4% on receivables ≥30 days
- 0.2% on receivables < 30 days

Accounts are written off against the provision when they are considered uncollectible. The total provision at 31 December 2025 amounted to $2,233,722 (2024 - $2,580,155) (Note 9).

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial investments (continued)

iii. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers or retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss recognised in other comprehensive income and accumulated in equity is recognised in the statement of comprehensive income. On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises based on the relative fair values of those parts on the date of the transfer.

The difference between the carrying amounts allocated to the part is no longer recognised, and the sum of the consideration received for the part no longer recognised, and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of comprehensive income. A cumulative gain or loss recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised based on the relative fair values of those parts.

iv. Impairment of non-financial assets

Assets with an indefinite life, such as land, are not subject to amortisation and are reviewed for impairment annually.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2. MATERIAL ACCOUNTING POLICIES (continued)

(g) Inventories

Inventories consist of fuel, distribution, generation supplies and other materials, which are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value. Net realisable value is the price at which stock can be realised in the normal course of business. Cost is determined on an average cost basis and is carried in the books at cost less provision for obsolescence.

(h) Trade receivables

Trade receivables are amounts due from customers for electricity or other services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for expected credit losses and discounts. See Note 2f (ii) for the policy guidance on the calculation of expected credit losses for trade receivables. Trade receivables, being short-term, are not discounted.

(i) Cash on hand and at bank

Cash on hand and at the bank comprises cash on hand and bank and short-term demand deposits with an original maturity of three (3) months or less.

(j) Stated Capital

Ordinary shares are classified as equity.

(k) Trade payables

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. If payment is due within one (1) year or less, trade payables are classified as current liabilities. Otherwise, they are presented as non-current liabilities.

(l) Borrowings

Borrowings are recognised at fair value net of transaction cost incurred. Borrowings are subsequently stated at amortised cost: any difference between the proceeds, net of transaction cost, and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve (12) months after the date of the statement of financial position.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

2. MATERIAL ACCOUNTING POLICIES (continued)

(m) Customers' deposits

All customer categories are required to provide a security deposit upon opening an account with the Company. The deposit is refunded, including the accumulated interest, upon closure of the account. (See Note 13)

Given the long-term nature of the customer relationship, customer deposits are shown in the statement of financial position as non-current liabilities (i.e., not likely to be repaid within twelve (12) months of the date of the statement of financial position).

(n) Customers' contribution to line extensions

In certain specified circumstances, customers requiring line extensions must contribute toward the estimated capital cost of the extensions. Customer contributions from 2018 that are not eligible for a refund are recognised in income in the same period in which the costs are incurred.

Contributions more than the applicable capital cost of line extensions are recorded as other revenue in the completion period. Non-refundable contributions received for jobs not yet started or completed at the year-end are grouped with creditors, accrued charges, and provisions. Refundable contributions received for jobs not yet started or completed at the year-end, and jobs completed at year-end, are also grouped with creditors, accrued charges, and provisions. The capital costs of customer line extensions are included in property, plant, and equipment (Note 4).

(o) Employee benefits

Profit-sharing scheme
The Company operates a profit-sharing scheme, and the profit share to be distributed to unionised employees each year is based on the terms outlined in the Union Agreement. Employees receive their profit share in cash. The Company accounts for profit sharing as an expense through the statement of comprehensive income. The Company also has a gainsharing plan for management employees that is accounted for in the same manner as profit sharing.

2. MATERIAL ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

Defined contribution scheme
The Company operates a defined contribution scheme for its permanent employees. The Company makes monthly contributions to the Plan, and additional employee contributions are voluntary. Pension costs are accounted for based on total contributions payable in the year (Note 15).

The plan's assets are held separately by the relevant Trust. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to employee services in the current and prior periods.

(p) Taxation

Current income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

The current tax is the expected tax payable on taxable income for the period. It is calculated based on the tax rates enacted or substantially enacted at the statement of financial position date.

Management periodically evaluates positions taken in tax returns for situations in which applicable tax regulations are subject to interpretation. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the asset is realised, or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the reporting date.

2. MATERIAL ACCOUNTING POLICIES (continued)

(q) Deferred income

The deferred income liability represents the net proceeds of a parametric insurance payout from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) in July 2024 related to the passage of Hurricane Beryl. These funds are expected to be used for expenses and capital items in the upcoming years. They were earmarked for use in the Company's hurricane restoration efforts which have been substantially completed and for capital projects to improve the resilience of its Transmission and Distribution network in the event of any future natural disasters, along with any other Board-approved project.

When the expenditure relates to an expense item, it is recognised as income systematically over the periods when the related costs are expensed, for which it is intended to compensate. The Company has chosen to present amounts related to an expense item as other income in the statement of comprehensive income. When the expenditure relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

Non-fuel charge
Revenues arising from the non-fuel charge are recognised over time as electricity is delivered to customers, as the customer simultaneously receives and consumes the benefits of the electricity. Revenues are recognised on an accrual basis, including both billed and unbilled revenues.

Revenues from electricity sales are recognised at rates approved by the Public Utilities Regulatory Commission (PURC) and recorded based on meter readings, which are taken on a rotational basis throughout each month.

At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated, and the corresponding unbilled revenue is recognised. The Company's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of megawatt hours ("MWh") delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions about the pattern of energy demand, weather, line losses, and inter-period changes in customer classes. The unbilled revenue receivable is included in accrued income.

2. MATERIAL ACCOUNTING POLICIES (continued)

(r) Revenue recognition (continued)

Fuel charge
Fuel costs are passed to customers through the fuel charge mechanism, which allows for the recovery of the fuel costs required to generate electricity over time. The fuel charge mechanism was amended during the year ended December 31, 2023, through the Interim Tariff, which was promulgated by the Public Utilities Regulatory Commission (PURC) and effective October 1, 2023. This tariff instituted a Fuel Adjustment Clause (FAC) mechanism to prevent future occurrences of under- or over-recovery of fuel costs by the Utility at year-end. This mechanism will be further reviewed and adjusted, where necessary, during the full tariff review exercise. For the time being, the Company recognises fuel revenue based on the amount paid for fuel in the reporting period.

Sundry revenue
Sundry revenue is generated from the sale of goods and services that do not form part of the principal activity of generating, distributing, and supplying electricity. This includes pole-sharing agreements, other sales, rentals, and service fees.

Revenue from pole-sharing arrangements, equipment rental, and other services is recognised when the Company provides the assets for customer use or when the services are provided. Service fees are recognised as the various services are provided.

Value-added tax
Value-added taxes collected by the Company because of revenue-producing activities are excluded from revenue and are remitted to the Government of Grenada in the month following collection.

Interest income
Interest income is recognised on an accrual basis.

(s) Dividends

Dividends proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

Dividends proposed and declared after the statement of financial position date are not shown as a liability on the statement of financial position but are disclosed as a note to the financial statements.

(t) Related parties

Parties are related if one (1) party can control or exercise significant influence over the other party in making financial or operating decisions. Transactions entered with related parties in the normal course of business are carried out on commercial terms and conditions during the year.

2. MATERIAL ACCOUNTING POLICIES (continued)

(u) Finance costs

Finance costs are recognised in the statement of comprehensive income as an expense in the period they are incurred.

(v) Unbilled revenue adjustments

The provision and adjustment at 31 December 2025, with comparatives, are calculated as follows:

	2025 $	2024 $
Revenue for December after discounts	21,855,804	20,081,958
50% of above provision at 31 December (note 9)	10,927,902	10,040,979
Provision at 1 January	(10,040,979)	(12,791,479)
Increase/(decrease) in provision during the year	886,923	(2,750,500)

(w) Leases

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases and recognises lease liabilities to make lease payments, as well as right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Company recognises right-of-use assets at the lease commencement date (i.e., the date the underlying asset becomes available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

2. MATERIAL ACCOUNTING POLICIES (continued)

(w) Leases (continued)

Right-of-use assets (continued)
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Buildings	3 to 5 years
• Land	3 to 60 years
• Furniture and Equipment	25 years

If ownership of the leased asset transfers to the Company at the end of the lease term, or if the cost reflects the exercise of a purchase option, depreciation is calculated using the asset's estimated useful life.

The Company also assesses right-of-use assets for impairment when such indicators exist (Note 2f(iv)).

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments, less any lease incentives receivable; variable lease payments that depend on an index or a rate; and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, as the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect accrued interest and reduced for the lease payments made. There were no lease reassessments or modifications in 2025.

2. MATERIAL ACCOUNTING POLICIES (continued)

(x) Allocations

Allocations in the statement of comprehensive income refer to both statutory and other contracted commitments, which the Company has a legal obligation to settle. These include:

Regulatory fees
The Public Utilities Regulatory Commission (PURC) Act No. 20 of 2016, Section 14 (subsections 2-5 and 7), stipulates that the Company is to fund the PURC's operations through an annual assessment imposed upon it. The assessment amount shall not exceed two (2) per cent of the gross revenue derived from the services of the Company in the most recently audited financial year.

Donations
The Company allocates 5% of its pre-tax profits annually to its Corporate Social Responsibility program under the Grenlec Community Partnership Initiative (GCPI).

Profit sharing
The Company has contractual obligations with its non-management and management groups regarding the annual payment of profit-sharing and management gain-sharing, respectively. These commitments are enshrined in the Collective Bargaining Agreements of both groups.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues, and expenses. The items that may have the most effect on these financial statements are set out below.

(a) Impairment of non-financial assets

Management assesses whether assets are impaired at each statement of financial position date. An asset is impaired when its carrying value exceeds its recoverable amount, and there is objective evidence of impairment. The recoverable amount is the present value of future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(b) Property, plant, and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

(c) Provision for expected credit losses of trade receivables

The Company calculates ECLs for trade receivables using a provision matrix. The provision rates are based on the number of days past due.

The provision matrix is initially based on the Company’s historically observed default rates. Then, the company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company’s historical credit loss experience and economic forecast may also not reflect the customer’s future actual default.

(d) Unbilled revenue

A provision of 50% of the current month’s billing is made to record unbilled energy revenue at the end of each month. This estimate is reviewed periodically to assess reasonableness and adjusted where required. The actual energy revenue will differ from the forecast.

4. PROPERTY, PLANT AND EQUIPMENT

	Land $	Building and Construction $	Plant and Machinery $	Motor Vehicles $	Furniture and Equipment $	Total $
For the year ended 31 December 2025						
Opening book value	1,864,860	10,367,481	107,543,189	2,913,365	6,791,139	129,480,034
Additions for the year	-	263,013	11,604,353	1,036,455	5,586,760	18,490,581
Adjustments for the year	-	-	-	-	(2,261)	(2,261)
Disposals for the year	-	-	-	-	-	-
Depreciation charge for the year (Note 22)	-	(589,683)	(9,489,725)	(949,649)	(1,406,143)	(12,435,200)
NET BOOK VALUE	1,864,860	10,040,811	109,657,817	3,000,171	10,969,495	135,533,154
Balance at 31 December 2025						
Cost	1,864,860	33,467,688	335,152,646	20,040,965	27,205,796	417,731,955
Accumulated depreciation	-	(23,426,877)	(225,494,829)	(17,040,794)	(16,236,301)	(282,198,801)
NET BOOK VALUE	1,864,860	10,040,811	109,657,817	3,000,171	10,969,495	135,533,154

No borrowing costs were capitalised during 2025 and 2024. The adjustments for the year refer to amounts capitalised in the previous period for which credit was received in the current year. The depreciation expense in the statement of cash flows includes the depreciation for right-of-use assets of $379,577 (2024: $369,609) (Note 5).

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	**Building and Construction**	**Plant and Machinery**	**Motor Vehicles**	**Furniture and Equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
For the year ended 31 December 2024						
Opening book value	1,864,860	10,696,556	104,350,550	2,305,920	3,758,088	122,975,974
Additions for the year	-	226,994	12,446,544	1,602,827	3,935,785	18,212,150
Adjustments for the year	-	14,581	(1,164)	-	12,932	26,349
Disposals for the year	-	-	(705,252)	(44,413)	(14,027)	(763,692)
Depreciation charge for the year (Note 22)	-	(570,650)	(8,547,489)	(950,969)	(901,639)	(10,970,747)
NET BOOK VALUE	1,864,860	10,367,481	107,543,189	2,913,365	6,791,139	129,480,034
Balance at 31 December 2024						
Cost	1,864,860	33,204,675	323,548,293	19,004,510	21,621,297	399,243,635
Accumulated depreciation	-	(22,837,194)	(216,005,104)	(16,091,145)	(14,830,158)	(269,763,601)
NET BOOK VALUE	1,864,860	10,367,481	107,543,189	2,913,365	6,791,139	129,480,034

5. LEASES

The Company has lease contracts for various parcels of land and buildings, as well as other equipment used in its operations. Leases of land and equipment generally have terms of three (3) to sixty (60) years, while leases of buildings generally have terms of three (3) to five (5) years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings $	Land $	Furniture and Equipment $	Total $
Balance at 1 January 2024	550,040	1,861,311	9,367	2,420,718
Additions	166,003	288,284	-	454,287
Depreciation expense (Note 22)	(198,013)	(170,986)	(610)	(369,609)
Balance at 31 December 2024	518,030	1,978,609	8,757	2,505,396
Additions	-	-	-	-
Depreciation expense (Note 22)	(162,510)	(216,457)	(610)	(379,577)
Balance at 31 December 2025	355,520	1,762,152	8,147	2,125,819

Set out below are the carrying amount of lease liabilities and the movements during the period:

	2025 $	2024 $
As at 1 January	2,868,056	2,720,154
Additions	-	454,287
Accretion of interest (Note 23)	137,501	151,780
Payments	(534,681)	(458,165)
As at 31 December	2,470,876	2,868,056
Less: current portion	(369,680)	(350,064)
Long-term portion	2,101,196	2,517,992

5. LEASES (continued)

No right-of-use assets were sub-leased, and there were no variable lease payments or sale-and-lease-back transactions for the year ended 31 December 2025.

The ageing of lease liabilities is as follows:

	2025 $	2024 $
Less than 1 year	369,680	350,064
Between 1 and 2 years	292,988	587,130
Between 2 and 5 years	197,731	198,372
Over 5 years	1,610,477	1,732,490
Total	2,470,876	2,868,056

6. SUSPENSE JOBS AND CAPITAL WORK IN PROGRESS

	Suspense Work in Progress $	Capital Work in Progress $	Total $
For the year ended 31 December 2025			
Opening book value	600,818	6,181,996	6,782,814
Additions and transfers for the year (net)	413,250	(456,538)	(43,288)
NET BOOK VALUE	1,014,068	5,725,458	6,739,526
Balance at 31 December 2025			
NET BOOK VALUE	1,014,068	5,725,458	6,739,526

6. SUSPENSE JOBS AND CAPITAL WORK IN PROGRESS (continued)

	Suspense Work in Progress $	Capital Work in Progress $	Total $
For the year ended 31 December 2024			
Opening book value	1,193,251	5,166,905	6,360,156
Additions and transfers for the year (net)	(592,433)	1,015,091	422,658
NET BOOK VALUE	600,818	6,181,996	6,782,814
Balance at 31 December 2024			
NET BOOK VALUE	600,818	6,181,996	6,782,814

7. FINANCIAL ASSETS AT AMORTISED COST

	Interest rate (%)	Maturity	2025 $	2024 $
Government of Grenada - Treasury Bills	3.00	2026	824,132	800,132
Fixed deposit - Republic Bank (Grenada) Ltd	0.10	2026	10,691,662	10,680,987
Fixed deposit - Grenada Co-operative Bank Ltd.	0.25	2026	11,413,418	13,043,238
Fixed deposit - ACB Grenada Bank	0.10	2026	6,189,473	6,183,290
Corporate Paper- Eastern Caribbean Home Mortgage Bank	3.00	2026	20,909,611	9,614,630
			50,028,296	40,322,277

Included in the above is $32,528,430 for Hurricane Insurance Reserve (Note 16), which is invested in Treasury bills and fixed deposits held with the Government of Grenada, Republic Bank (Grenada) Limited, ACB Grenada Bank, Eastern Caribbean Home Mortgage Bank (ECHMB), and the Grenada Co-operative Bank Limited.

Due to their short-term nature, the fair values of financial assets at amortised cost equal their carrying values.

8. INVENTORIES

The following is a breakdown of inventories on hand:	2025 $	2024 $
Motor vehicle spares	1,366,793	1,554,044
Distribution	11,653,931	11,248,997
Generation spares	22,174,358	19,987,477
Fuel and lubricating oil	1,015,272	859,364
General stores	921,289	1,336,651
	37,131,643	34,986,533
Less: Obsolescence provision	(2,049,421)	(2,010,136)
	35,082,222	32,976,397
Goods in transit	1,666,009	729,193
	36,748,231	33,705,590

The value of inventory adjustments recognised through the Statement of Comprehensive Income during the year is included in the respective departments’ expenses of $39,285 (2024 - $76,073).

9. TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Trade receivables	29,152,866	26,173,373
Less: Provision for expected credit losses (Note 2f ii,10)	(2,164,658)	(2,516,497)
Trade receivables- net	26,988,208	23,656,876
Other debtors	1,431,695	1,501,299
Less: Provision for expected credit losses (Note 2f ii,10)	(69,064)	(63,658)
	1,362,631	1,437,641
	28,350,839	25,094,517
Unbilled revenue (Note 2v)	10,927,902	10,040,979
Prepayments	3,107,705	4,796,982
	14,035,607	14,837,961
	42,386,446	39,932,478

Other debtors relate to sundry revenue receivable at year-end—Note 2 (r). Due to the short-term nature of these assets, the fair values of trade and other receivables equal their carrying values.

9. TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade and other receivables is as follows:

	2025			2024		
	Trade receivables $	**Other receivables $**	**Expected credit losses $**	**Trade receivables $**	**Other receivables $**	**Expected credit losses $**
30 days	18,054,142	314,652	(26,349)	16,165,375	299,967	(31,246)
31-60 days	5,673,617	186,864	(23,490)	4,965,931	150,533	(13,972)
61-90 days	820,405	127,393	(309,214)	525,927	109,121	(149,268)
Over 90 days	4,604,702	802,786	(1,874,669)	4,516,140	941,678	(2,385,669)
	29,152,866	1,431,695	(2,233,722)	26,173,373	1,501,299	(2,580,155)

10. MOVEMENT IN PROVISION FOR EXPECTED CREDIT LOSSES

	2025 $	2024 $
(i) Customers' accounts		
Balance at 1 January	2,516,497	2,529,378
(Decrease) in provision (Note 22)	(351,839)	(12,881)
Balance at 31 December	2,164,658	2,516,497
(ii) Other debtors		
Balance at 1 January	63,658	55,539
Increase in provision (Note 22)	5,406	8,119
Balance at 31 December	69,064	63,658
Total Expected Credit Losses	2,233,722	2,580,155

There were no direct write-offs for impaired receivables during the year to the statement of comprehensive income (2024 - nil). There was no recovery of bad debts written off during the year (2024 - Nil).

11. CASH ON HAND AND AT BANK

	2025 $	2024 $
Cash on hand	7,200	7,200
Republic Bank (Grenada) Limited	530,359	2,414,010
Grenada Co-operative Bank Limited	208,176	19,120,448
	745,735	21,541,658

For the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2025 $	2024 $
Cash on hand and at bank	745,735	21,541,658
Bank overdraft (Note 14)	(1,361,114)	-
Cash and cash equivalents	(615,379)	21,541,658

Cash and cash equivalents comprise cash on hand and cash at bank. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included in cash and cash equivalents for the purposes of the statement of cash flows. These overdrafts are presented as liabilities in the statement of financial position, as the offsetting criteria of IAS 32 are not met.

12. STATED CAPITAL

	2025 $	2024 $
Authorised		
25,000,000 ordinary shares of no-par value		
Issued and fully paid		
19,000,000 ordinary shares of no-par value	32,339,840	32,339,840

13. CUSTOMERS' DEPOSITS

Under the 2016 Electricity Act (EA) Schedule 1, all customers are required to provide a security deposit, which is usually equivalent to one (1) month's consumption. Interest accrued is credited to customers' accounts at a rate of 4% (2024 - 4%) per annum in the first billing cycle of the year. The cash deposit is refunded, including accumulated interest, upon termination of the account (Note 2m).

	2025 $	2024 $
Balance at 1 January	21,338,889	20,493,266
New deposits	1,480,764	1,271,634
Interest accrued	821,259	794,181
Net transfers and deposits refunded	(1,860,215)	(1,220,192)
Balance at 31 December	21,780,697	21,338,889

14. BORROWINGS

	2025 $	2024 $
Grenada Co-operative Bank Ltd (GCBL)		
Balance at 1 January	23,968,770	31,045,234
Less: Principal repayments	(7,978,614)	(7,076,464)
Total borrowings at 31 December	15,990,156	23,968,770
Less: Current portion	(6,164,167)	(6,535,967)
Non-current portion	9,825,989	17,432,803

	2025 $	2024 $
Current portion of long-term borrowings	6,164,167	6,535,967
Bank overdraft	1,361,114	-
Total short-term borrowings	7,525,281	6,535,967

14. BORROWINGS (continued)

On 17 July 2023, CIBC First Caribbean International Bank (Barbados) Limited's operations in Grenada were taken over by the Grenada Co-operative Bank Ltd (GCBL). At this time, a participation arrangement was entered into between the Banks, resulting in the sharing of facilities agreed between the Company and CIBC First Caribbean International Bank (Barbados) Limited. All the terms of the original loan agreements remained the same.

On 29 February 2016, the Company entered into a Mortgage Debenture with CIBC First Caribbean International Bank (Barbados) Limited for a credit facility of up to $48,050,000.

The loan bears interest at a rate of 4.75% per annum for the first five (5) years, and thereafter at the prime rate less 5.90%, subject to a floor of 3.60% per annum. Presently, the prime rate is 8.50% per annum. The loan is amortised over twelve (12) years and repayable via 32 quarterly principal payments of $1,001,042 with a balloon payment of $16,016,667. Interest will be paid quarterly in arrears and accrue on an actual/365-day basis. The facility is collateralised by a first-priority mortgage obligation and a debenture charge over the Borrower's fixed and floating assets, stamped to cover $48,050,000.

On 15 August 2019, the Company signed a Mortgage Debenture with CIBC First Caribbean International Bank (Barbados) Limited for a credit facility of $3,718,000.

The loan bears interest at 4.75% per annum over the first five (5) years. Afterwards, the interest will be the prime rate less 4.90%, subject to a floor of 3.60% per annum. Presently, the prime rate is 8.50% per annum. The loan is amortised over ten (10) years and repayable via thirty-two quarterly principal payments of $92,950 plus quarterly interest payments. This loan was voluntarily settled in full prior to 31 December 2025. Accordingly, no balance is outstanding under this facility at year-end.

On 16 February 2021, the Company signed a Mortgage Debenture with CIBC First Caribbean International Bank (Barbados) Limited for a credit facility of $16,200,000.

The loan bears interest at a current rate of 3.75% per annum, the prime rate minus 4.75% per annum. Presently, the prime rate is 8.50% per annum. The loan is amortised over a twelve (12) year period and repayable via 30 quarterly principal payments of $540,000 plus quarterly interest payments, after a six (6) month moratorium on principal payments.

The Company has an overdraft facility of $6 million with Grenada Co-operative Bank Limited, with 6% per annum interest. Although no interest was charged during the year ended 31 December 2025 (2024 – nil), the Company was in an overdrawn position of $1,361,114 at year-end. This amount is included in Short-term borrowings within current liabilities.

As of 31 December 2025, the Company complies with the loan covenants required by CIBC First Caribbean International Bank (Barbados) Limited/ Grenada Co-operative Bank Limited under the existing credit facilities.

14. BORROWINGS (continued)

The ageing of non-current borrowings is as follows:

	2025 $	2024 $
Between 2 and 5 years	9,825,989	17,432,803
Over 5 years	-	-
Total	9,825,989	17,432,803

The carrying amounts and fair value of borrowings are as follows:

	Carrying Value		Fair Value	
	2025 $	2024 $	2025 $	2024 $
Borrowings	17,351,270	23,968,770	19,691,454	28,437,872

The fair values are based on cash flows discounted at the Company's average borrowing rate of 3.67% (2024 - 3.74%). Short-term bank overdrafts amounting to $1,361,114 are included within short-term borrowings.

15. RETIREMENT BENEFITS PAYABLE

The Company operates a defined contribution plan for its employees. The relevant trust pays benefits accrued to employees upon resignation or retirement. Pension cost for the year was $2,987,131 (2024 - $3,019,470) in the statement of comprehensive income (Note 22).

The balance of $501,565 within the statement of financial position relates to amounts due to the non-management and management Trusts for December 2025 (2024 - $515,032).

16. HURRICANE INSURANCE RESERVE

	2025 $	2024 $
Balance at the beginning of the year	33,909,667	33,909,667
Add: Allocation for the year	-	-
Balance at the end of year	33,909,667	33,909,667

The Company paused the annual allocation to the Hurricane Insurance Reserve in 2024. The reserve continues to be backed by short-term investments held at various financial institutions (Note 7) as self-insurance for its transmission and distribution network.

During the year, the Company redeemed a term deposit held under the Hurricane Insurance Reserve with the Grenada Co-operative Bank Limited in order to settle the outstanding balance on one of its borrowing facilities. The redemption of this investment did not affect the balance of the Hurricane Insurance Reserve recorded in equity; however, it resulted in a temporary reduction in the short-term investments backing the reserve as disclosed in Note 7. The Company intends to replenish the investment backing of the reserve in accordance with its established financial policies.

The parametric insurance premium increased to $547,789 in 2025 (2024: $485,158). The parametric insurance policy commenced on 1 September 2023 and is held with the Caribbean Catastrophe Risk Insurance Facility (CCRIF).

17. TRADE AND OTHER PAYABLES

	2025 $	2024 $
Trade creditors	22,306,550	18,747,268
Sundry creditors	8,130,374	9,151,441
Accrued expenses	11,019,197	13,569,176
Total trade and other payables	41,456,121	41,467,885

As of the start of 2025, the provision for donations was $4,928,813. With a 2025 spend of $919,058, the year ended with a substantial closing provision balance of $4,009,755. The decision was made to pause the annual donation allocation until these funds have been disbursed in accordance with the GCPI policy. A review of this decision will be done in 2026. During the year, $4,566,300 of customer accounts in net credit positions previously included within Trade and Other receivables were reclassified to Trade creditors. The change is presentation-only and had no impact on profit or net assets.

The allocation for profit sharing (Note 2(x)) for the year is calculated on pre-tax profits. The profit sharing payable at year-end amounts to $3,927,933 (2024: $4,109,712) and is presented separately as a line item in the statement of financial position.

18. CUSTOMERS' CONTRIBUTION TO LINE EXTENSIONS

	2025 $	2024 $
Balance at 1 January	13,865,799	11,505,632
Additions	2,713,860	2,569,233
Refunds, transfers to income, and reversals (net)	(1,604,201)	(209,066)
Customers' contributions at 31 December	14,975,458	13,865,799

Included in customers' contributions at 31 December 2025 are both refundable and non-refundable contributions. Non-refundable contributions are recognised as liabilities until the related line extension works are completed and are transferred to income only upon completion. Accordingly, the year-end balance includes non-refundable contributions of $514,598 (2024: $612,364) relating to projects not completed at the reporting date.

19. DEFERRED INCOME (CCRIF)

	2025 $	2024 $
At 1 January	21,805,690	-
Received during the year	-	25,062,768
Amortized during the year	(228,475)	(15,058)
Expenses charged	(731,234)	(3,242,019)
At 31 December	20,845,981	21,805,691
Current	-	-
Non-current	20,845,981	21,805,691

The insurance payout of $25,062,768 in 2024 from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) was received in settlement of the Company's parametric insurance policy, which was triggered upon the passage of Hurricane Beryl in July 2024. (Note 2(q))

20. REVENUE- NON-FUEL CHARGE

	2025 $	2024 $
Commercial	63,730,409	64,643,293
Domestic	41,898,277	41,200,685
Industrial	2,354,465	2,464,167
Street lighting	1,280,497	1,393,535
	109,263,648	109,701,680

21. OTHER INCOME

	2025 $	2024 $
Sundry revenue (Note 2(r))	2,823,014	5,199,663
(Loss) on disposal of property, plant, and equipment	-	(581,088)
	2,823,014	4,618,575

Sundry revenue includes a release from CCRIF deferred income of $959,709 (2024 – $3,257,077) (see Note 19).

22. EXPENSES BY NATURE

	2025 $	2024 $
Diesel consumed	133,573,270	141,029,641
Employee benefits	30,750,352	30,286,794
Plant maintenance	17,505,576	19,924,630
Depreciation (Notes 4 and 5)	12,814,777	11,340,356
Generator rental	10,788,333	5,254,615
Insurance	5,396,428	4,238,652
Line maintenance	2,301,177	1,764,020
Information technology expenses	1,987,608	1,647,829
Professional fees	1,907,225	1,850,109
General repairs and maintenance	1,781,882	3,667,078
Audit fees	215,448	236,000
Expected credit losses (Note 10)	(338,746)	(4,762)
Hurricane expenses	-	2,537,377
Other expenses	7,077,391	8,121,333
Total operating expenses	225,760,721	231,893,672
Employee benefits include:		
Salaries and wages	26,656,193	26,964,523
Pension (Note 15)	2,987,131	3,019,470
National Insurance Contributions	1,059,690	998,712
Group Insurance	852,627	797,927
	31,555,641	31,780,632
Allocated as follows:		
Operating expenses	30,750,352	30,286,794
Capitalised expenses	805,289	1,493,838
	31,555,641	31,780,632

23. FINANCE COSTS

	2025 $	2024 $
Customer deposit interest	826,831	799,919
Bank loans/bond interest	779,756	1,039,105
Interest- right-of-use assets (Note 5)	137,501	151,780
	1,744,088	1,990,804

24. TAXATION

Corporate tax expense

	2025 $	2024 $
Current taxation	1,504,667	1,471,565
Deferred tax	1,544,527	1,363,780
Taxation charge	3,049,194	2,835,345

Income taxes in the statement of comprehensive income vary from amounts that would be computed by applying the statutory tax rate of 28% (2024- 28%) for the following reasons:

	2025 $	2024 $
Profit for the year before taxation	11,226,892	10,392,001
Corporate tax at the applicable statutory rate 28% (2024 - 28%)	3,143,530	2,909,760
Tax effect of items that are adjustable in determining taxable profit:		
Effect of expenses not deductible for tax purposes	(94,336)	(74,415)
Tax charge for the year	3,049,194	2,835,345
Corporate tax recoverable	(3,667,075)	(5,171,742)

Deferred Tax

The deferred tax liability on the statement of financial position consists of the following components:

	2025 $	2024 $
Delayed tax depreciation	71,836,521	66,337,953
Right-of-use assets	2,125,819	2,505,396
Lease liabilities	(2,470,876)	(2,868,056)
	71,491,464	65,975,293
Deferred tax liability at statutory rate 28% (2024 - 28%)	20,017,610	18,473,082

25. RELATED PARTY TRANSACTIONS

i) During the year, the Company engaged in transactions with its majority shareholder, the Government of Grenada, and the National Insurance Scheme (NIS), owner of 11.6% of its shares. The following transactions were carried out with these entities:

		2025	2024
		$	$
a)	Sale of electricity:		
	NIS	170,943	287,282
	Government of Grenada	17,877,974	19,120,724
b)	Payment of dividends:		
	NIS	529,161	705,548
	Government of Grenada	3,255,033	4,340,044
c)	Amounts due to related parties*		
	NIS (NIS contributions for staff - December)	173,204	165,279
	Government of Grenada (taxes at year-end)	2,444,331	2,396,981
d)	Amounts due by related parties*		
	NIS (electricity - December)	12,117	20,191
	Government of Grenada (electricity - December, tax recoverable, subsidy receivable)	5,305,049	6,653,406

* The amounts are classified as trade payables and trade receivables, respectively.

Terms and conditions of transactions with related parties
The sales to and amounts due from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at year-end are unsecured and interest-free and are settled in cash. No guarantees have been provided or received for related party receivables or payables. For the year ended 31 December 2025, the Company recognised a provision for expected credit losses of $3,219 relating to amounts owed by related parties (2024 - $2,921).

25. RELATED PARTY TRANSACTIONS (continued)

ii) Compensation of key management personnel of the Company:

	2025 $	2024 $
Salaries and other benefits	4,205,172	5,236,350
Directors' Fees	230,690	267,903
Past employment benefit provisions	585,458	499,422

The above amounts are recognised as an expense related to key management personnel during the reporting period.

26. EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit or loss for the year by the weighted average number of common shares issued during the year. Details of issued share capital are set out in Note 12.

	2025 $	2024 $
Net profit for the year	8,177,698	7,556,656
Weighted average number of common shares	19,000,000	19,000,000
Earnings per share ($ per share)	0.43	0.40

27. CONTINGENT LIABILITIES

a. Customs bonds
At the statement of financial position date, the Company was contingently liable to the Government of Grenada for customs bonds of $350,000 (2024 - $350,000).

b. Litigation
The Company is a party to certain legal actions brought against it by third parties. In the directors' opinion, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities. Therefore, no provision has been made in these financial statements.

28. CAPITAL COMMITMENTS

The Company budgeted capital expenditure of $13,601,498 for the 2025 financial year (2024 – $16,835,837). A further $5,475,791 from the 2024 capital budget was carried forward to complete ongoing projects.

At year-end, capital expenditure contracted but not yet recognised amounted to $8,661,067 (2024 – $7,359,372), relating primarily to contracts for the procurement of four high-speed unit generators scheduled for delivery and installation in 2026.

The Company is also developing plans for two major initiatives: the MBIA Battery Energy Storage System (BESS) project and a generation expansion project, both of which remain in preliminary stages with no binding commitments entered into.

No other significant capital commitments existed at the reporting date.

29. DIVIDENDS

During the year ended 31 December 2025, a dividend of 24 cents (2024 - 32 cents) per ordinary share amounting to $4,560,000 was declared and paid (2024 - $6,080,000).

These 2025 dividends were declared and approved quarterly as follows:

Quarter	Declaration Date	Approval Date	Amount $
First	28 March 2025	3 April 2025	1,520,000
Second	18 June 2025	20 June 2025	1,520,000
Third	30 September 2025	2 October 2025	1,520,000
Fourth	-	-	-
		Total	4,560,000

The Board of Directors elected not to declare a fourth-quarter dividend for 2025, consistent with its assessment of the Company's capital and operational requirements for the period.

30. FINANCIAL RISK MANAGEMENT

Financial instruments by category

At 31 December	2025 $	2024 $
Assets per statement of financial position	**Financial assets**	**Financial assets**
Cash on hand and at bank (Note 11)	745,735	21,541,658
Financial assets at amortised cost (Note 7)	50,028,296	40,322,277
Trade and other receivables (less prepayments) (Note 9)	39,278,741	35,135,496
Total	90,052,772	96,999,431

	Other financial liabilities at amortised cost **$**	**Other financial liabilities at amortised cost** **$**
Liabilities per statement of financial position		
Lease liabilities (Note 5)	2,470,876	2,868,056
Borrowings (Note 14)	17,351,270	23,968,770
Trade and sundry creditors (Note 17)	30,436,924	27,898,709
Customers’ deposits (Note 13)	21,780,697	21,338,889
Customers’ contributions to line extensions- refundable (Note 18)	14,460,861	13,253,435
Retirement benefits payable (Note 15)	501,565	515,032
Profit sharing payable (Note 17)	3,927,933	4,109,712
Total	90,930,126	93,952,603

Financial risk factors

The Company’s activities expose it to various financial risks: credit risk, operational risk, liquidity risk, insurance risk, and market risk (including foreign exchange and interest rate risk). The Company’s overall risk management policy minimises potential adverse effects on its financial performance and optimises shareholders' value within an acceptable level of risk. The Company’s management carries out risk management under the direction of the Board of Directors.

30. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)
The Board of Directors has established committees responsible for developing and monitoring the Company's risk management policies in their specified areas. These committees report to the Board of Directors on their activities. The committees and their activities are as follows:

Audit Committee
The Audit Committee oversees the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures.

Loans Committee
The Loans Committee is comprised of members of management who are responsible for approving staff loan applications and ensuring that only those that meet the requirements set out in the Staff Loan and Procedure Policy are authorized.

The Company's exposure and approach to its key risks are as follows:

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from the Company's trade receivables and financial investments.

Credit risk from trade receivables is substantially reduced due to management's policies. Upon application for a new service, all customers must make a deposit, and management performs periodic credit evaluations of its general customers' financial conditions. At 31 December 2025, trade receivables net of expected credit losses exceeded the sum of customer deposits by $5,207,511 (2024 – $2,317,987). Management monitors this gap and considers overall credit risk acceptable in light of the deposit regime and ECL coverage (Note 9).

To limit its exposure to credit risk arising from financial investments, the Company places these funds with highly rated financial institutions.

Based on the above, however, management does not believe significant credit risk exists at 31 December 2025 or 2024. Note 9 discloses further analysis of the Company's trade and other receivables.

30. FINANCIAL RISK MANAGEMENT (continued)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk by balancing the avoidance of financial losses and damage to the Company's reputation with overall cost-effectiveness, and to avoid control procedures that restrict initiative and creativity. The primary responsibility for developing and implementing controls to address operational risk is assigned to senior management within each business unit. The development of overall Company standards for the management of operational risk in the following areas supports this responsibility:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address identified risks.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards; and
- Risk mitigation, including insurance, as outlined below.

Insurance risk

Prudent management requires that a company protect its assets against catastrophe and other risks. To protect its customers and investors, the Company has fully insured its plant and machinery, buildings, computer equipment, and furniture against substantially all perils. The Company's Transmission and Distribution systems are self-insured via the hurricane reserve mechanism. Further, the Company's parametric insurance policy is intended to meet any shortfall in self-insurance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty meeting the obligations associated with its financial liabilities, which are settled by delivering cash or another financial asset.

At year-end, the Company had drawn $1.36m on its $6.0m overdraft facility (Notes 11 and 14). During the year, a term deposit was redeemed and applied to settle outstanding borrowings (Notes 7, 14, and 16). Management monitors cash and available facilities against projected outflows and expects to replenish the reserve-backing investments in line with established financial policies.

30. FINANCIAL RISK MANAGEMENT (continued)

The table below summarises the Company's liquidity position:

Balance at 31 December 2025	**Less than 1 year $**	**Between 1 & 2 years $**	**Between 2 & 5 years $**	**Over 5 years $**	**Total $**
Assets					
Cash on hand and at bank	745,735	-	-	-	745,735
Financial assets at amortised cost	50,028,296	-	-	-	50,028,296
Trade and other receivables (less prepayments)	39,278,741	-	-	-	39,278,741
Total assets	90,052,772	-	-	-	90,052,772
Liabilities					
Lease liabilities	492,198	515,084	501,510	2,451,928	3,960,720
Borrowings	8,018,713	9,630,038	543,717	-	18,192,468
Trade and sundry creditors	30,436,924	-	-	-	30,436,924
Customers' deposits	-	-	-	21,780,697	21,780,697
Customers' contribution to line extension- refundable (Note 18)	14,460,861	-	-	-	14,460,861
Retirement benefits payable	501,565	-	-	-	501,565
Profit sharing payable	3,927,933	-	-	-	3,927,933
Total liabilities	57,838,194	10,145,122	1,045,227	24,232,625	93,261,168

30. FINANCIAL RISK MANAGEMENT (continued)

Balance at 31 December 2024	Less than 1 year $	Between 1 & 2 years $	Between 2 & 5 years $	Over 5 years $	Total $
Assets					
Cash on hand and at bank	21,541,658	-	-	-	21,541,658
Financial assets at amortised cost	40,322,277	-	-	-	40,322,277
Trade and other receivables (less prepayments)	35,135,496	-	-	-	35,135,496
Total assets	96,999,431	-	-	-	96,999,431
Liabilities					
Lease liabilities	519,938	820,144	513,994	2,602,920	4,456,996
Borrowings	7,331,450	7,088,707	11,313,967	-	25,734,124
Trade and sundry creditors	27,898,709	-	-	-	27,898,709
Customers' deposits	-	-	-	21,338,889	21,338,889
Customers' contribution to line extension- refundable (Note 18)	13,253,435	-	-	-	13,253,435
Retirement benefits payable	515,032	-	-	-	515,032
Profit sharing payable	4,109,712	-	-	-	4,109,712
Total liabilities	53,628,276	7,908,851	11,827,961	23,941,809	97,306,897

30. FINANCIAL RISK MANAGEMENT (continued)

Market risk

(i) Foreign exchange risk

Foreign exchange risk is the potential adverse impact on the Company’s earnings and economic value due to movements in exchange rates.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the entity’s functional currency. The Company is exposed to foreign exchange risk arising primarily from foreign currency borrowings and from the purchase of plant, equipment, and spare parts from foreign suppliers. The exchange rate of the Eastern Caribbean dollar (EC$) and the United States dollar (US$) has been formally pegged at EC$2.70=US$1.00 since July 1976.

The Company has limited exposure to foreign exchange risk, primarily from purchasing plant, equipment, and spare parts from foreign suppliers. The Company attempts to enter into transactions denominated mainly in United States dollars.

The Company has not entered into forward exchange contracts to reduce its exposure to foreign currency exchange rate fluctuations.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates.

Long-term borrowings also expose the company to interest rate risk. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed- and variable-rate loans and borrowings. On 31 December 2025, the Company held borrowings at both fixed and floating interest rates, with 7% of the portfolio being at fixed rates. The Company’s interest rates and the terms of borrowings are disclosed in Note 14.

Capital risk management

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern, provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

30. FINANCIAL RISK MANAGEMENT (continued)

Capital risk management (continued)
To maintain or adjust the capital structure, the Company may, subject to Board approval as appropriate, vary the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company also monitors capital based on a target debt-to-equity ratio of 1.25:1 or less, indicating a strong financial position and flexibility. This ratio is calculated as total borrowings divided by total equity.

The debt-to-equity ratios at 31 December were as follows:

	2025 $	2024 $
Total borrowings (Note 14)	17,351,270	23,968,770
Shareholders' equity	134,646,771	131,029,073
Debt to equity ratio	0.13:1	0.18:1

Fair value estimation
Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, a quoted price in an active market provides the best evidence of fair value. A market is considered active when quoted prices are readily and regularly obtainable from an exchange, dealer, broker, pricing service, industry group or regulatory agency, and those prices reflect actual and recurring arm's-length transactions.

Fair value measurements are required to reflect the assumptions that market participants would use in pricing an asset or liability based on the best available information, including the risks inherent in a particular valuation technique, such as a pricing model, and the risks inherent in the inputs to the model.

Due to their short-term nature, the carrying value of cash, short-term deposits, trade receivables, less impairment provision, and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes (Note 14) is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

31. OPERATING SEGMENTS

The Company operates in a single geographic segment, Grenada, where its primary business is the generation and supply of electricity to customers.

32. SUBSEQUENT EVENTS

No significant events occurred after the reporting period date affecting the financial performance, position, or changes therein for the reporting period presented in the annual financial statements.