

Schedule 1
FORM ECSRC – K

ANNUAL REPORT PURSUANT TO SECTION 98 OF THE SECURITIES ACT OF 2001

For the financial year ended December 31, 2011

Issuer Registration number 350360

Grenada Electricity Services Limited

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

Grenada W.I

(Territory of incorporation)

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

(Address of principal office)

Reporting issuer's:

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

Fax number: 473-440-4106

Email address: mail@grenlec.com

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by Sections 98 of the Securities Act of 2001 during the preceding 12 months

Yes X No _____

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	19,000,000

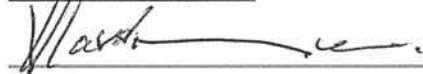
SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Vernon Lawrence



Signature

30-4-12

Date

Name of Director:

Claudette Joseph




Signature

30-4-2012

Date

Name of Chief Financial Officer:

Benedict Brathwaite



Signature

30.4.12

Date

INFORMATION TO BE INCLUDED IN THE REPORT

1. Business.

In 2011 the economic environment was one of economic hardship and discontent, as the global economic downturn continued its negative impact on the Grenadian economy. This extended recession finally resulted, not just in decreased growth for GRENLEC, as in previous years, but in a reduction in kWh sales of 2.15%. This reduction in sales, in the absence of a hurricane, is unprecedented. Moreover, it came in a year in which non fuel rates, based on the 2009 Consumer Price Index of -2.35%, were reduced by 0.96%. Compounding these challenges was an increase in world oil prices of 37.45% over 2010, heightening the need for conservation in an already stifling economy.

All of this means that we must change our business and the way we operate to meet the demands of customers and the requirements of the global economic climate. A major component of our change initiative is our renewable energy programme. As the price of electricity is driven up by conflicts and disasters around the globe, it is more certain that alternative energy is the future of our business. Consequently, our Company's decision to invest in renewable energy exploration will benefit our business and our customers. In 2012, we will join the Government of Grenada and the European Union to announce the start of a project to install a 1 to 2 MW wind farm in Carriacou by 2014. This project will be jointly funded by the European Union and GRENLEC and provide up to forty percent of the energy demand there. A similar project in Grenada to install 6 to 14 MW of power is at an advanced planning stage.

Progress continued on geothermal energy, the centrepiece of our renewable energy programme. Multi-sector stakeholder consultations informed draft geothermal legislation submitted by an independent team contracted by the Government and supported by funding from the Organisation of American States. We are also examining waste to energy with the Grenada Solid Waste Management Authority and solar applications. The second phase of a renewable energy customer interconnection programme started in late 2011. Fifty Four (54) customers with a total 303 KW were connected during the pilot phase of the programme, which GRENLEC voluntarily implemented in 2007. The high cost of renewable energy systems remains daunting for customers, however as the cost of the technology falls, its applications will increase among all categories of customers.

As stated by the International Monetary Fund, the global recovery is fragile with the debt crisis in the Eurozone entering a perilous new phase. The economic projection is for a gradual ease out of the prolonged recession in most countries. In our region and specifically in Grenada, we are hopeful that the worst is behind us and as such moderate levels of growth are expected in 2012.

To meet the challenges the company will continue to focus on renewables, efficiency improvement, cost containment, human resource development, customer service and corporate social responsibility. These are all key elements of our vision 2016 strategic plan, which is aimed at improving reliability, service efficiencies, human resource capacity, renewable energy penetration and community impact.

2. Properties.

Property Site	Productive Capacity
Woodlands	Presently vacant
Grand Anse	Distribution Department
Grand Anse	Administration Department
Queen's Park	Production Department
Plains	Warehouse
Carriacou & Petite Martinique	Distribution / Production / Administration Departments

3. Legal Proceedings.

There were no legal proceedings outstanding as at year end that could materially impact on the company's position.

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

Other than the annual election of Directors at the AGM there were no matters submitted to a vote.

The Annual General Meeting (AGM) was held on May 10, 2011 at which the following Directors were elected:

Ms. Claudette Joseph
Mr. Alfred Logie
Mr. Ambrose Phillip
Mr. Arthur Campbell

Eight Directors were nominated in accordance with the Memorandum and Articles of Association. This allows Grenada Private Power Limited to nominate six persons, the Government of Grenada to nominate one person and for the employees to nominate one person. The Directors nominated are as follows:

Mr. G. Robert Blanchard, Jr. - GPP
Mr. Malcolm Harris - GPP
Mr. Vernon L. Lawrence - GPP
Mr. Robert Curtis - GPP
Mr. Ronald Roseman - GPP
Mr. Nigel Wardle - GPP
Mr. Royston LaHee – Government Representative
Mr. Chester Palmer – Employees Representative

PKF were appointed re-appointed as Auditors for the year ended December 31, 2011 on a majority vote by a show of hands.

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.

Eastern Caribbean Securities Exchange:

GRENLEC listed its shares on the ECSE in July, 2008 which means that stockholders have a ready market for the buying and selling of shares.

6. Financial Statements and Selected Financial Data.

The audited financial statements for 2011 are included herewith. This incorporates the Auditor's report, Statement of Financial Position with comparatives for 2010, Statement of Comprehensive Income, Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes. These statements comply with International Financial Reporting Standards.

7. Disclosure About Risk Factors.

Hurricanes etc.

Hurricanes remain the single most significant risk factor faced by GRENLEC. Ivan and Emily struck Grenada in 2004 and 2005 respectively causing major damage. In the case of Ivan over 80% of our distribution system had to be rebuilt at a cost which exceeded ECD 20M. However, the rebuilding of the system after Ivan left it more robust and better able to withstand a similar event as was seen with Emily. Despite this improvement, the risk is still substantial because the hurricane reserve which was totally spent in the rebuilding is now only 50% of what it cost to restore the system after Ivan. Given this fact and our inability to obtain reasonably priced insurance for our distribution system it is important that we continue to keep maintenance of the system as a priority in order to mitigate against the impact of a hurricane.

Grenlec currently has a monopoly on the generation and supply of electricity in the tri island state. Should there be a change in legislation which changes the current landscape and introduces competition it would affect operations and possibly profitability.

Sharply increasing fuel prices as occurred in 2008 can also over the short run impact negatively on the company's cash flow and profitability. However, once fuel prices fall this is reversed and there is a positive impact in both cases.

8. Changes in Securities and Use of Proceeds.

None

9. Defaults Upon Senior Securities.

None

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

Grenlec's financial performance in 2011 saw net profits before taxes of \$12.89M which is a decrease of 11.73% when compared to the \$14.63M of 2010. Lower non fuel sales by \$2.36M, caused by a contraction in demand, accounted for this decline in profits as operating costs were contained relative to that of 2010 by \$1.03M

The Company ended 2011 with a negative cash balance of \$3.00M. However, its liquidity was very good as there were loans and receivables comprising fixed deposits exclusive of hurricane insurance reserve of \$14.86M. This liquidity was also reflected in the current ratio of 3.78 which easily exceeds a benchmark of 1.50.

Despite the marginal decline in performance the financial position remains strong with net assets reducing only marginally from \$71.32M to \$71.16M. During the year borrowings were reduced through principal payments of \$8.15M. At the same time the risk profile of the Company would have improved as the Hurricane Fund increased by \$2M to \$12M.

(i) Capital Resources

Capital expenditure of \$10.22M were made in 2011 with \$1.28M for the Administrative Building and \$8.94M on regular distribution expansion and motor vehicles etc. In the absence of major capital projects the company continues to generate funding internally to finance routine capital expenditure.

(ii) Results of Operations.

Energy sales were 181.7 GWh, some 2.15% less than the 185.7GWh recorded in 2010. In addition to the economic environment sales were clearly affected by the relatively low ambient temperatures in the first half of 2011 relative to the same period in 2010. In the first half of the year the decline was 3.70% which slowed to 0.53% in the second half of the year boosted by growth of 1.83% in the final quarter. Each of the major sectors experienced this decline with Industrial at 3.21% while the most significant were domestic and commercial with decreases of 2.26% and 2.12% respectively.

Non fuel revenue fell by 2.96% compared to 2010 based on the decrease in kWh sales noted previously and a rate reduction of 0.96% which was implemented from February 1, 2011.

Fuel cost recovery ended the year at 98.49% marginally below the 99.27% recorded in 2010. This rate was achieved as a result of marginally lower fuel prices in the period August to October which occurred at the same time the kWh sales experienced a rebound.

Operating expenses other than fuel of \$57.55M were 1.76% less than the \$58.58M of 2010. Most of the savings were achieved in the technical departments as the company's cost containment drive intensified in the face of lower than expected kWh sales.

Interest costs as expected declined comparative to 2010 as there were no new borrowings and the company continued to meet its obligations in accordance with its respective agreements.

The dividend paid of forty eight (48) cents represented an increase of 6.67% over the forty five (45) cents in 2010. The overall \$91.2M dividend marginally exceeded the profit after taxes but was within the payout ratio of the dividend policy which adds back the annual hurricane provision for this calculation.

System losses for 2011 were 8.07% reflecting a 0.15 percentage point reduction from the 8.22% recorded in the previous year.

Fuel efficiency of 15.85kWh/USG was marginally below the 15.91kWh/USG of 2010 partly due to changes in the operation of two generators in Grenada at the request of Wartsila. This is not expected to continue in 2012 and we should see improvement in fuel efficiency moving forward.

Engine availability for Queen's Park was 92% while at Carriacou and Petit Martinique they were 99.2% and 95.8% respectively which were all above targets. Overall the Company has been able to maintain its operations at a high level of efficiency

11. Changes in and Disagreements With Auditors on Accounting and Financial Disclosure.

None

12. Directors and Executive Officers of the Reporting Issuer.

A (1)

Name: **Vernon Lawrence**

Title: **Managing Director / CEO**

Age: 59

Office Street Address: **Halifax Street**

P.O Box 381

St. George's Grenada

Telephone No.: (473-440-9425)

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Managing Director – Grenada Electricity Services Ltd.

General Manager- Grenada Electricity Services Ltd. (2002 – 2004)

Managing Director –Jamaica Public Services Co. Ltd -2000-2001

Senior Director Customer Services – Jamaica Public Services Co. Ltd -1994-2000

Education (degrees, schools, and dates):

MBA –University of the West Indies 1991

BSc- Electrical Engineering (1 st Class Hons) University of the West Indies 1976

Name: **G Robert Blanchard Jr.**

Position: **Chairman**

Age: 47

Mailing Address: c/o WRB Enterprises Inc, Suite 201, 1414 Swann Avenue, Tampa Florida 33606, USA

Telephone No.: (813) 251-3737

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

WRB Enterprise Inc. President

WRB Enterprise Inc. Executive Vice President

Education (degrees or other academic qualifications, schools attended, and dates):

BA in Political Science and Philosophy – Emory University, Atlanta CA - 1986

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Malcolm C Harris**

Position: **Director**

Age: 64

Mailing Address: c/o WRB Enterprises Inc., Suite 201, 1414 Swann Avenue, Tampa, Florida 33606, USA

Telephone No.: (813) 251-3737

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

WRB Enterprises Inc. - Chief Finance Officer

Education (degrees or other academic qualifications, schools attended, and dates):

Member of the Institute of Chartered Accountants – 1967

Member of the Institute of Taxation - 1968

University of Miami – Masters of Business Administration - 1978

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Arthur Campbell**

Position: **Director**

Age: 57

Mailing Address: #9 Young Street, P.O. Box 380, St. George's, Grenada

Telephone No.: (473) 440-8039

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

General Manager Gravel, Concrete and Emulsion Corporation

Managing Director Home Pride Bakery

Education (degrees or other academic qualifications, schools attended, and dates):

MBA Financial Management 1999

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Ambrose Phillip**

Position: **Director**

Age: 56

Mailing Address: C/O Grenada Ports Authority; Burns Point, St. George's, Grenada

Telephone No.: (473) 440-7678

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Phillip has been engaged with the Grenada Port Authority (GPS) since 1984 where he is the

General Manager having served as Port Manager from 1988 – 1990.

Education (degrees or other academic qualifications, schools attended, and dates):

M.SC. in Ports & Shipping Admin – World Maritime University, Malmo, Sweden 1992 – 1994.

B.SC. Management – University of the West Indies, St. Augustine, 1978 – 1981.

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Ronald Roseman**

Position: **Director**

Age: 74

Mailing Address: c/o WRB Enterprises Inc.; Suite 201; 1414 Swann Avenue; Tampa; Florida 33606; USA

Telephone No.: 813-876-9362

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Ronald Roseman is the President of Coastal Electric, a company involved in Utility Infrastructure construction.

He also served as President of Southeastern Electric and Dycom Industries.

Education (degrees or other academic qualifications, schools attended, and dates):

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Robert Curtis**

Position: **Director**

Age: 46

Mailing Address: c/o WRB Enterprises Inc.; Suite 201; 1414 Swann Avenue; Tampa; Florida 33606; USA

Telephone No.: 813-875-6324

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Robert Curtis currently serves as President and owner of Island Management, Inc, Viper Ventures,
LLC; Sugarloaf Mountain, LLC; SOHO Investments, LLC; Ucita Properties Inc. And SWW Inc, all
located in Tampa Florida.

Education (degrees or other academic qualifications, schools attended, and dates):
B. Sc. Commerce - University of Virginia 1988

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Royston La Hee**

Position: **Director**

Age: 68

Mailing Address: c/o Huggins Automotive Division; Maurice Bishop Highway; St. George's

Telephone No.: (473) 444-2031

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Royston La Hee is presently the Divisional Director of the Automotive Division of Geo. F.

Huggins & Co. (G'da) Ltd. He has been employed with the company for the past thirty four (34) years.

Education (degrees or other academic qualifications, schools attended, and dates):

B Sc. Mechanical Engineering UWI - 1967

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Claudette Joseph**

Position: **Director**

Age: 42

Mailing Address: c/o Amicus Attorneys; P.O Box 1190; Church Street; St. George's

Telephone No.: (473) 439-0498

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Partner in the law firm Amicus Attorneys. Managing administrative staff, conducting contentious and non-contentious matters including: litigation, company law, succession matters and

conveyancing.

Education (degrees or other academic qualifications, schools attended, and dates):

LLB (UWI) - 1994

L.E.C (Hugh Wooding Law School) -1996

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Nigel Wardle**

Position: **Director**

Age: 55

Mailing Address: c/o WRB Enterprises Inc, Suite 201, 1414 Swann Avenue; Tampa; Florida 33606; USA.

Telephone No.: 813-251-3737

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Nigel Wardle is a Vice President of WRB Enterprises.

He was General Manager of Grenada Electricity Services Ltd. For seven years between 1995 and
2002.

Education (degrees or other academic qualifications, schools attended, and dates):

Member of the Institute of Chartered Accountants - 1981

South Bank University - BA Commerce

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Chester Palmer**

Position: **Director**

Age: 50

Mailing Address: Mt. Parnassus, St. George's

Telephone No.: (473) 440-6039

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Chester Palmer is a self employed Technician. (1994 to present)

Director Gravel, Concrete & Emulsion Production 1999 – 2008. Chairman 2006 – 2008.

Chairman Grenada Marketing & National Importing Board 2006 – 2008..

Director Grenada Electricity Services Ltd. 1996 – 2008; 2009 to present.

Education (degrees or other academic qualifications, schools attended, and dates):

Dip. Mechanical / Electrical Engineering – City & Guilds, London (BCC Barbados, 1984)

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: **Alfred Logie**

Position: **Director**

Age: 53

Mailing Address: c/o National Insurance Scheme, Melville Street, St. George's

Telephone No.: (473) 440 - 9801

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Mr. Alfred Logie is the Director of the National Insurance Scheme (NIS) since 2008.

1996 to 2008 he was the Compliance Manager and then Deputy Director from 2005 of the NIS.

Education (degrees or other academic qualifications, schools attended, and dates):

Licentiate Degree in Economic Planning – University of Camaguey (Cuba) - 1985

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Name: Clive Hosten

Title Chief Engineer

Age: 47

Office Street Address: _____

P.O Box 381 _____

St. George's Grenada _____

Telephone No.: (473-440-8371) _____

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Grenada Electricity Services Limited – Chief Engineer

Grenada Electricity Services Ltd: Production Manager 1998 - 2005

Grenada Electricity Services Ltd: Electrical engineer 1993- 1998

Education (degrees, schools, and dates):

BSc (Eng) University of the West Indies 1988

MBA –University of Bath 2003

Name: **John Mc Donald**

Title : **Manager Carriacou & Petite**

Martinique

Age: 54

Office Street Address: Main Street.

Hillsborough

Carriacou

Telephone No.: (473-443-8383)

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Government of Grenada-Senior Administrative Officer 1997-1998

Grenada Electricity Services Ltd.-Manager Carriacou & Petite Martinique

Education (degrees, schools, and dates):

University of the West Indies -Certificate in Public Administration –1995

Name: Cassandra Slocombe

Title: Customer Services Manager

Age: 38

Office Street Address:

P.O Box 381

St.George's Grenada

Telephone No.: (473-440-3391)

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Customer Services Manager January 2005 to present

Quality Management / Human Resource Representative 1997 – 2005 – Caribbean Agro Industries

1.Management of customer service activities

Education (degrees, schools, and dates):

Executive Diploma in Management – UWI 1999

BSc. Natural Science – University of West Indies 1997

Name: **Benedict Brathwaite**

Title: **Financial Controller**

Age: 50

Office Street Address:

P.O Box 381

St. George's Grenada

Telephone No.: (473-440-3391)

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Grenada Electricity Services Limited – Financial Controller 2005

Grenada Electricity Services Ltd.- Finance Manager (1998 – 2005)

Responsibilities- Accounting operations, Budgeting and Cost Monitoring, Credit and Collections,

Taxes

Education (degrees, schools, and dates):

ACCA –Emile Wolfe -1990

BSc Economics- University of the West Indies -1983

Name: Eric Williams

Title: Distribution Manager

Age: 42

Office Street Address: P.O Box 381

St. George's

Telephone No.: (473-444-0910)

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Acting Distribution Manager – Grenada Electricity Services Limited (2004 – Present)

Assistant Distribution Manager – Grenada Electricity Services Ltd. (2002 – 2004)

Customer Services Supervisor – Grenada Electricity Services Ltd. (2000 – 2002)

Education (degrees, schools, and dates):

B'Eng (Hons) Electrical & Electronic Engineering - London Southbank University 1994

MBA – St. George's University (SGU) 2009

Name: **Jacqueline Williams**

Title: **Human Resource Manager**

Age: 44

Office Street Address:

P.O Box 381

St.George's Grenada

Telephone No.: (473-440-8782)

Grenada Electricity Services Ltd. Human Resource Manager 2006

Design, implement and manage activities geared towards maintaining and retraining of staff.

List Jobs held during the last five years:

Human Resource Manager - Grenada Electricity Services Limited - 2006 – Present

Director, Human Resources & Industrial Relations - Southern Regional Health Authority 2002-2006

Education (degrees, schools, and dates):

Batchelor of Science, Professional Management -Nova University 1995 - 1998

MSc. Organizational Psychology - 2011

How to Manage Work Place Negativity - Jamaica Employers Federation - 2005

Managerial Behaviour & Team Effectiveness - Cornell University - 1999

SPHR – Senior Professional in Human Resources Certification - 2010

Industrial Relations Practices - Tourism Product Development Company - 1996

Name: Don Forsyth

Title: Manager Planning & Engineering

Age: 38

Office Street Address: _____

Telephone No.: (1-473-440-2650)

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Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Grenada Electricity Services Ltd. (2001-2004)

Electrical Engineer in the Planning & Engineering Department. Duties include System protection, Load and

Forecasting, Overall system Planning and Development.

Education (degrees, schools, and dates):

BSc Electrical Engineering & Engineering University of the West Indies 1997

MBA University of the West Indies 2007

13. Other Information.

None

14. List of Exhibits

Published Financial Statements 2011.