

**ST. LUCIA ELECTRICITY SERVICES LIMITED**

Unaudited Consolidated Financial Statements  
For the Nine Months Ended September 30, 2017  
(Expressed in Eastern Caribbean Dollars)



## **ST. LUCIA ELECTRICITY SERVICES LIMITED**

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**ST. LUCIA ELECTRICITY SERVICES LIMITED**

## Unaudited Consolidated Statement of Financial Position

*(Expressed In Eastern Caribbean Dollars)*

	Note	As at September 30, 2017	As at December 31, 2016
<b>Assets</b>			
<b>Non-current</b>			
Property, plant and equipment		\$ 337,443,944	336,182,410
Intangible assets		<u>10,947,746</u>	<u>11,772,829</u>
<b>Total non-current assets</b>		<b><u>348,391,690</u></b>	<b><u>347,955,239</u></b>
<b>Current</b>			
Inventories		15,294,751	11,881,268
Trade, other receivables and prepayments		59,938,163	53,396,370
Derivative financial instruments	4	4,577,868	-
Other financial assets		39,105,876	36,669,002
Cash and cash equivalents		<u>20,094,479</u>	<u>29,600,146</u>
<b>Total current assets</b>		<b><u>139,011,137</u></b>	<b><u>131,546,786</u></b>
<b>Total assets</b>		<b><u>\$ 487,402,827</u></b>	<b><u>479,502,025</u></b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital		\$ 80,162,792	80,162,792
Retained earnings		166,424,327	150,517,899
Fair value reserve		268,650	(551,394)
Revaluation reserve		15,350,707	15,350,707
Self-insurance reserve		<u>33,237,731</u>	<u>30,717,043</u>
<b>Total shareholders' equity</b>		<b><u>295,444,207</u></b>	<b><u>276,197,047</u></b>
<b>Liabilities</b>			
<b>Non-current</b>			
Borrowings		88,155,518	100,181,035
Consumer deposits		17,275,457	16,441,756
Deferred tax liabilities		31,539,421	33,364,975
Retirement benefit liability		4,035,000	4,035,000
Post-employment medical benefit liabilities		<u>1,786,000</u>	<u>1,786,000</u>
<b>Total non-current liabilities</b>		<b><u>142,791,396</u></b>	<b><u>155,808,766</u></b>
<b>Current</b>			
Borrowings		19,408,898	19,585,036
Trade and other payables		27,548,705	22,614,479
Provision for other liabilities		1,485,493	1,485,493
Dividends payable		441,928	444,886
Income tax payable		<u>282,200</u>	<u>3,366,318</u>
<b>Total current liabilities</b>		<b><u>49,167,224</u></b>	<b><u>47,496,212</u></b>
<b>Total liabilities</b>		<b><u>191,958,620</u></b>	<b><u>203,304,978</u></b>
<b>Total shareholders' equity and liabilities</b>		<b><u>\$ 487,402,827</u></b>	<b><u>479,502,025</u></b>

Approved on behalf of the Board of Directors:

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

**ST. LUCIA ELECTRICITY SERVICES LIMITED**  
Unaudited Consolidated Statement of Comprehensive Income

*(Expressed In Eastern Caribbean Dollars)*

	For the 9 months ended September 30, 2017	For the 9 months ended September 30, 2016	For the year ended December 31, 2016	For the year ended December 31, 2015
<b>Revenue</b>				
Energy sales	\$ 208,020,813	194,137,765	259,885,129	309,148,671
Other revenue	<u>1,584,563</u>	<u>1,537,415</u>	<u>1,984,207</u>	<u>2,624,292</u>
	<u>209,605,376</u>	<u>195,675,180</u>	<u>261,869,336</u>	<u>311,772,963</u>
<b>Operating expenses</b>				
Fuel costs	94,697,415	84,910,266	114,854,090	172,061,379
Transmission and distribution	29,024,518	28,498,236	39,245,421	35,683,702
Generation	<u>15,950,884</u>	<u>15,573,400</u>	<u>21,364,047</u>	<u>21,952,515</u>
	<u>139,672,817</u>	<u>128,981,902</u>	<u>175,463,558</u>	<u>229,697,596</u>
<b>Gross income</b>	69,932,559	66,693,278	86,405,778	82,075,367
Administrative expenses	<u>(22,372,007)</u>	<u>(22,700,996)</u>	<u>(31,389,207)</u>	<u>(31,639,851)</u>
<b>Operating profit</b>	47,560,552	43,992,282	55,016,571	50,435,516
Interest income	534,733	565,116	727,339	1,031,219
Other gains, net	<u>62,654</u>	<u>54,714</u>	<u>44,925</u>	<u>307,043</u>
<b>Profit before finance costs and taxation</b>	48,157,939	44,612,112	55,788,835	51,773,778
Finance costs	<u>(4,605,868)</u>	<u>(6,568,365)</u>	<u>(8,352,870)</u>	<u>(11,820,118)</u>
<b>Profit before taxation</b>	43,552,071	38,043,747	47,435,965	39,953,660
Taxation	<u>(12,289,755)</u>	<u>(10,624,445)</u>	<u>(13,468,323)</u>	<u>(11,044,646)</u>
<b>Net profit for the period</b>	<u>31,262,316</u>	<u>27,419,302</u>	<u>33,967,642</u>	<u>28,909,014</u>
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified to profit or loss:</b>				
Fair value gain/ (loss) on available-for-sale investments	<u>820,044</u>	-	<u>(551,394)</u>	-
<b>Items that will not be reclassified to profit or loss:</b>				
Re-measurements of defined benefit pension plans, net of tax	-	-	1,566,600	(7,737,800)
Gain on revaluation of land	-	-	-	<u>15,350,707</u>
<b>Total other comprehensive income</b>	<u>820,044</u>	-	<u>1,015,206</u>	<u>7,612,907</u>
<b>Total comprehensive income for the period</b>	<u>\$ 32,082,360</u>	<u>27,419,302</u>	<u>34,982,848</u>	<u>36,521,921</u>
<b>Basic and diluted earnings per share</b>	<u>\$ 1.36</u>	<u>1.20</u>	<u>1.48</u>	<u>1.26</u>

**ST. LUCIA ELECTRICITY SERVICES LIMITED**

## Unaudited Consolidated Statement of Cash Flows

*(Expressed In Eastern Caribbean Dollars)*

	For the 9 months ended September 30, 2017	For the 9 months ended September 30, 2016	For the year ended December 31, 2016	For the year ended December 31, 2015
<b>Cash flows from operating activities</b>				
Profit before taxation	\$ 43,552,071	38,043,747	47,435,965	39,953,660
<b>Adjustments for:</b>				
Depreciation	24,963,669	24,565,372	33,110,236	31,987,180
Amortisation of intangible assets	1,434,521	1,730,553	2,278,547	2,313,936
Finance costs expensed	4,605,867	6,568,365	8,352,870	11,820,118
Interest income	(534,734)	(565,116)	(727,339)	(1,031,219)
Movement in allowance for impairment	-	-	538,231	1,509,808
Gain on disposal of property, plant and equipment	(51,599)	(14,368)	(12,929)	(60,517)
Gain on disposal of other financial assets	7,659	-	-	-
Post-retirement benefits	-	-	60,000	(138,959)
Operating profit before working capital	73,977,454	70,328,553	91,035,581	86,354,007
(Increase)/decrease in inventories	(3,413,483)	1,559,928	2,499,884	(3,916,343)
(Increase)/decrease in trade, other receivables and prepayments	(6,892,196)	448,100	3,685,549	31,176,397
Increase/(decrease) in trade and other payables	706,387	(5,387,640)	(3,214,209)	(2,595,660)
Increase in provision for other liabilities	-	-	-	1,485,493
Cash generated from operations	64,378,162	66,948,941	94,006,805	112,503,893
Interest received	453,887	318,599	893,610	759,322
Finance costs paid	(4,316,396)	(6,216,889)	(8,298,868)	(12,072,996)
Income tax paid	(17,199,427)	(13,492,640)	(13,492,640)	(10,801,259)
<b>Net cash from operating activities</b>	<b>43,316,226</b>	<b>47,558,011</b>	<b>73,108,907</b>	<b>90,388,961</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(26,225,401)	(18,039,304)	(27,800,940)	(21,177,659)
Proceeds from disposal of property, plant and equipment	51,797	14,368	13,217	64,064
Acquisition of intangible assets	(609,438)	(542,667)	(969,667)	(763,517)
Acquisition of other financial assets	(2,196,875)	(11,526,550)	(33,625,294)	(13,621,670)
Proceeds from disposal of other financial assets	653,232	15,558,259	15,402,661	-
<b>Net cash used in investing activities</b>	<b>(28,326,685)</b>	<b>(14,535,894)</b>	<b>(46,980,023)</b>	<b>(35,498,782)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(12,415,327)	(11,521,739)	(18,008,714)	(15,347,041)
Dividends paid	(12,838,158)	(8,921,226)	(17,856,485)	(17,106,411)
Consumer deposits, net	758,277	144,553	237,566	199,224
<b>Net cash used in financing activities</b>	<b>(24,495,208)</b>	<b>(20,298,412)</b>	<b>(35,627,633)</b>	<b>(32,254,228)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,505,667)</b>	<b>12,723,705</b>	<b>(9,498,749)</b>	<b>22,635,951</b>
Cash and cash equivalents at beginning of period	29,600,146	39,098,895	39,098,895	16,462,944
<b>Cash and cash equivalents at end of period</b>	<b>\$ 20,094,479</b>	<b>51,822,600</b>	<b>29,600,146</b>	<b>39,098,895</b>

**ST. LUCIA ELECTRICITY SERVICES LIMITED**

Notes to Unaudited Consolidated Financial Statements

For the Nine Months Ended September 30, 2017

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*(Expressed In Eastern Caribbean Dollars)*

**Accompanying Notes**

1. These unaudited consolidated financial statements present the results of the St. Lucia Electricity Services Limited and its subsidiaries-LUCELEC Cap-Ins. Inc., LUCELEC Trust Company Inc. and Energyze Holdings Inc. (“the Group”).
2. The principal accounting policies adopted and methods of computation have been consistently applied to the periods presented in these unaudited consolidated financial statements.
3. There were no unusual assets, liabilities, income or expenses recorded during the period.
4. The Group currently holds swap and options contracts as part of its hedging strategy. The fair value of these contracts at the end of the period as disclosed on the Unaudited Consolidated Statement of Financial Position as Derivative Financial Asset was \$4.6M.
5. During the quarter, St. Lucia Electricity Services Limited purchased 100% shares in Energyze Holdings Inc., a company incorporated in January 2016. Apart from this acquisition, there were no other issuances, repurchases and repayments of equity securities during the period.
6. Loan principal and interest repayments during the nine months totaled \$16.7M.
7. There were no material events subsequent to the end of the period that have not been reflected in the unaudited consolidated financial statements.
8. There were no changes in contingent liabilities since the end of the prior financial year.