ST. LUCIA ELECTRICITY SERVICES LIMITED  Unaudited Consolidated Financial Statements For the Nine Months Ended September 30, 2017 (Expressed in Eastern Caribbean Dollars)

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Unaudited Consolidated Statement of Financial Position

(Expressed In Eastern Caribbean Dollars)

Assets	Note	As at September 30, 2017	As at December 31, 2016
Non-current			
Property, plant and equipment		\$ 337,443,944	336,182,410
Intangible assets		10,947,746	11,772,829
Total non-current assets		348,391,690	347,955,239
Current			
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		20,094,479	29,600,146
Total current assets		139,011,137	131,546,786
Total assets		\$ <u>487,402,827</u>	479,502,025
Shareholders' equity and liabilities			
Shareholders' equity		<b>.</b>	00 1 62 702
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		33,237,731	30,717,043
Total shareholders' equity		295,444,207	276,197,047
Liabilities			
Non-current		00.4===40	
Borrowings		88,155,518	100,181,035
Consumer deposits		17,275,457	16,441,756
Deferred tax liabilities  Retirement benefit liability		31,539,421	33,364,975
Retirement benefit liability Post-employment medical benefit liabilities		4,035,000 1,786,000	4,035,000 1,786,000
Total non-current liabilities		142,791,396	155,808,766
Current		142,791,390	133,808,700
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		282,200	3,366,318
Total current liabilities		49,167,224	47,496,212
Total liabilities		<u>191,958,620</u>	203,304,978
Total shareholders' equity and liabilities		\$ <u>487,402,827</u>	479,502,025
Approved on behalf of the Board of Directors:			
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Director		L	Director

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
Revenue					
Energy sales	\$	208,020,813	194,137,765	259,885,129	309,148,671
Other revenue	_	1,584,563	1,537,415	1,984,207	2,624,292
	_	209,605,376	195,675,180	261,869,336	311,772,963
Operating expenses					
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	_	15,950,884	15,573,400	21,364,047	21,952,515
	_	139,672,817	128,981,902	175,463,558	229,697,596
Gross income		69,932,559	66,693,278	86,405,778	82,075,367
Administrative expenses	_	(22,372,007)	(22,700,996)	(31,389,207)	(31,639,851)
Operating profit		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		62,654	54,714	44,925	307,043
Profit before finance costs and	_	<u> </u>			
taxation		48,157,939	44,612,112	55,788,835	51,773,778
Finance costs	_	(4,605,868)	(6,568,365)	(8,352,870)	(11,820,118)
Profit before taxation		43,552,071	38,043,747	47,435,965	39,953,660
Taxation		(12,289,755)	(10,624,445)	(13,468,323)	(11,044,646)
Net profit for the period		31,262,316	27,419,302	33,967,642	28,909,014
Other comprehensive income: Items that may be reclassified to profit or loss: Fair value gain/ (loss) on available-for-sale investments	_	820,044		(551,394)	
Items that will not be reclassified to profit or loss:  Re-measurements of defined benefit pension plans, net of tax  Gain on revaluation of land		-	-	1,566,600	(7,737,800) 15,350,707
	_	820,044		1,015,206	
Total other comprehensive income Total comprehensive income for	_	020,044		1,013,200	7,612,907
the period	\$_	32,082,360	27,419,302	34,982,848	36,521,921
Basic and diluted earnings per share	\$_	1.36	1.20	1.48	1.26

Unaudited Consolidated Statement of Cash Flows

(Expressed In Eastern Caribbean Dollars)

Cash flows from operating activities         43,552,071         38,043,747         47,435,965         39,953,608           Adjustments for:         24,963,669         24,565,372         33,110,236         31,987,180           Depreciation         24,963,669         24,565,372         33,110,236         31,987,180           Finance costs expensed         4,605,867         6,568,356         8,352,870         1,1820,118           Interest income         6534,734         (565,116)         (727,339)         (1,509,808           Movement in allowance for impairment         6334,734         (565,116)         (727,339)         (1,509,808           Gain on disposal of other financial assets         7,659         (14,368)         (12,292)         (60,517)           Operating profit before working capital         7,579,7454         70,328,553         9,1035,81         86,354,093           Operating profit before working capital         6,892,196         448,100         3,685,549         31,176,397           Increase/idecrease in trade, other receivables and prepayments         6,892,196         448,100         3,685,549         31,176,397           Increase in provision for other liabilities         7         7,6387         5,387,640         3,214,209         2,2595,660           Increase in provision for other liabilitie			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
Depreciation of intangible assets	Cash flows from operating activities					
Depreciation	Profit before taxation	\$	43,552,071	38,043,747	47,435,965	39,953,660
Amortisation of intangible assets	Adjustments for:					
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   Gain on disposal of property, plant and equipment   Gain on disposal of other financial assets   7,659   (14,368)   (12,929)   (60,517)     Post-retirement benefits   73,977,454   70,328,553   91,035,581   86,354,007     (Increase)/decrease in irade, 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   64,378,162   66,948,941   94,006,805   12,503,893     Interest received   43,16,396   (6,216,889)   893,610   759,322     Finance costs paid   (4,316,396   (6,216,889)   8,298,868   (12,072,996)     Increase from operations   (4,316,396   (6,216,889)   8,298,868   (12,072,996)     Increase from operating activities   (26,225,401)   (18,039,304)   (27,800,940)   (21,177,659)     Net cash from operating activities   (26,225,401)   (18,039,304)   (27,800,940)   (21,177,659)     Proceeds from disposal of property, plant and equipment Proceeds from disposal of property, plant and equipment Proceeds from disposal of other financial assets   (609,438)   (542,667)   (969,667)   (763,517)     Acquisition of intangible assets   (609,438)   (51,588,259)   (13,402,640)   (13,621,670)     Proceeds from disposal of other financial assets   (21,96,875)   (11,526,559)   (13,621,670)     Proceeds from disposal of other financial assets   (21,96,875)   (11,521,739)   (18,008,714)   (15,347,041)     Acquisition of other financial assets   (24,495,208)   (12,528,208,412)   (13,621,670)     Proceeds from disposal of other financial assets   (24,495,208)   (14,535,891)   (18,008,714)   (15,347,041)     Oscala from disposal of other financial assets   (24,495,208)   (14,535,891)   (14,658)   (14,536,485)   (14,654,485)   (14,658,485)   (14,658,485)   (14,668,485)   (14,668,48	Depreciation		24,963,669	24,565,372	33,110,236	31,987,180
Interest income	Amortisation of intangible assets		1,434,521	1,730,553	2,278,547	2,313,936
Movement in allowance for impairment Gain on disposal of property, plant and equipment (51,599)         (14,368)         (12,929)         (60,517)           Gain on disposal of other financial assets Post-retirement benefits         7,659         — 60,000         (138,959)           Operating profit before working capital (Increase)/decrease in inventories (13,413,483)         1,559,928         2,499,884         (3,916,343)           (Increase)/decrease in trade, other receivables and prepayments (16,892,196)         66,892,196         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         — 64,378,162         66,948,941         94,006,805         112,503,993           Cash generated from operations Interest received         443,887         318,599         893,610         75,322           Finance costs paid         (4,316,396)         (6,216,889)         (8,298,868)         (12,072,996)           Income tax paid         (17,199,427)         (13,492,640)         (13,892,640)         (10,801,259)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash Ilows from investing activities         (26,225,401)         (18,039,304)	Finance costs expensed		4,605,867	6,568,365	8,352,870	11,820,118
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         —<	Interest income		(534,734)	(565,116)	(727,339)	(1,031,219)
equipment         (51,599)         (14,368)         (12,929)         (60,517)           Gain on disposal of other financial assets         7,659         -         60,000         (138,959)           Post-retirement benefits         -         -         60,000         (138,959)           Operating profit before working capital (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           Increase in provision for other liabilities         -         -         -         1,485,493           Increase in provision for other liabilities         -         -         -         -         1,485,493           Increase in provision for other liabilities         -         -         -         -         1,485,493           Increase in provision for other liabilities         -         -         -         -         -         1,485,493           Increase particle from operations	Movement in allowance for impairment		-	-		1,509,808
Gain on disposal of other financial assets Post-retirement benefits         7,659         -         60,000         (138,959)           Operating profit before working capital (Increase)/decrease in inventories (Increase)/decrease in inventories (Increase)/decrease in inventories (Increase)/decrease in inventories (Increase)/decrease in intrade, 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           Increase received         453,887         318,599         893,610         759,322           Finance costs paid         (4,316,396)         (6,216,889)         88,298,868         12,072,996           Income tax paid         (17,199,427)         (13,492,640)         (13,492,640)         (10,801,259)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         (26,225,401)         (18,039,304)         (27,800,940)         (21,177,659)           Poceeds from disposal of property, plant and equipment Proce	Gain on disposal of property, plant and					
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 (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)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         (26,225,401)         (18,039,304)         (27,800,940)         (21,177,659)           Acquisition of intangible a				(14,368)	(12,929)	(60,517)
Operating profit before working capital (Increase)/decrease in inventories (Increase)/decrease in inventories (Increase)/decrease in trade, other receivables and prepayments (Increase)/decrease) in trade and other payables (Increase) in provision for other liabilities (Increase) (Increase) in trade and other payables (Increase) (Increa	-		7,659	-	-	- (122.25)
(Increase)/decrease in inventories (Increase)/decrease in trade, other receivables and prepayments         (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)         (10,801,259)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         (26,225,401)         (18,039,304)         (27,800,940)         (21,177,659)           Proceeds from disposal of property, plant and equipment Proceeds from disposal of other financial assets         (20,4875)         (14,368)         13,217 <td></td> <td>-</td> <td><u>-</u></td> <td></td> <td>·</td> <td></td>		-	<u>-</u>		·	
(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     Net cash from operating activities   (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)   (11,526,559)   (33,625,294)   (13,621,670     Proceeds from disposal of other financial assets   (2,196,875)   (11,526,559)   (15,402,661   -     Net cash used in investing activities   (28,326,685)   (14,535,894)   (46,980,023)   (35,498,782     Cash flows from financing activities   (24,495,208)   (20,298,412)   (35,627,633)   (32,234,228     Net (decrease)/increase in cash and cash equivalents   (9,505,667)   12,723,705   (9,498,749)   (2,635,951     Cash and cash equivalents at beginning of period   (9,505,667)   12,723,705   (9,498,749)   (2,635,951   16,462,944   16,642,944   16			, ,	* *	·	
Treceivables and prepayments   16,892,196   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   2			(3,413,483)	1,559,928	2,499,884	(3,916,343)
Increase (decrease) in trade and other payables   706,387   (5,387,640)   (3,214,209)   (2,595,660)     Increase in provision for other liabilities   -     -			(6.003.106)	440 100	2 605 540	21 177 207
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)         (82,98,868)         (12,072,996)           Income tax paid         (17,199,427)         (13,492,640)         (13,492,640)         (10,801,259)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Acquisition of property, plant and equipment Proceeds from disposal of property, plant and equipment equipment of intangible assets         (609,438)         (542,667)         (969,667)         (763,517)           Acquisition of other financial 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         (23,326,685)         (14,535,894)         (46,980,023)         (55,498,782) <td></td> <td></td> <td>(6,892,196)</td> <td>448,100</td> <td>3,685,549</td> <td>31,1/6,39/</td>			(6,892,196)	448,100	3,685,549	31,1/6,39/
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)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         (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         15,582,59         15,402,661         -           Net cash used in investing activities         (28,326,			50.C 205	(5.205.640)	(2.214.200)	(2.505.660)
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)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         (26,225,401)         (18,039,304)         (27,800,940)         (21,177,659)           Proceeds from disposal of property, plant and equipment equipment equipment of intangible assets         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         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         (28,326,685)         (11,521,739)         (18,008,714)         (15,347,041)	- ·		706,387	(5,387,640)	(3,214,209)	
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)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         (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         -           Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         (12,415,327)         (11,521,739)         (18,008,714)         (15,347,041)           Dividends paid	-	-		-	-	
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)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         43,316,226         47,558,011         73,108,907         90,388,961           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 of unimagible 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         -           Net cash used in investing activities         (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					·	
Income tax paid         (17,199,427)         (13,492,640)         (13,492,640)         (10,801,259)           Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         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         -           Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         (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 <t< td=""><td></td><td></td><td>· · · · · · · · · · · · · · · · · · ·</td><td>· ·</td><td>•</td><td>·</td></t<>			· · · · · · · · · · · · · · · · · · ·	· ·	•	·
Net cash from operating activities         43,316,226         47,558,011         73,108,907         90,388,961           Cash flows from investing activities         Acquisition of property, plant and equipment Proceeds from disposal 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         -           Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         (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           Net cash used in financing activities         (24,495,208) <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td>	-					
Cash flows from investing activities         Acquisition of property, plant and equipment Proceeds from disposal 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       -         Net cash used in investing activities       (28,326,685)       (14,535,894)       (46,980,023)       (35,498,782)         Cash flows from financing activities       (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         Net cash used in financing activities       (24,495,208)       (20,298,412)       (35,627,633)       (32,254,228)         Net (decrease)/increase in cash and cash equivalents       (9,505,667)       12,723,705       (	•	-				
Acquisition of property, plant and equipment Proceeds from disposal of property, plant and equipment S1,797 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 (28,326,685) (14,535,894) (46,980,023) (35,498,782) Cash flows from financing activities (28,326,685) (14,535,894) (46,980,023) (35,498,782) Cash used in investing activities (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 Net cash used in financing activities (24,495,208) (20,298,412) (35,627,633) (32,254,228) Net (decrease)/increase in cash and cash equivalents (9,505,667) 12,723,705 (9,498,749) 22,635,951 Cash and cash equivalents at beginning of period 29,600,146 39,098,895 39,098,895 16,462,944	Net cash from operating activities	-	43,316,226	47,558,011	73,108,907	90,388,961
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 (28,326,685) (14,535,894) (46,980,023) (35,498,782)  Cash flows from financing activities (28,326,685) (14,535,894) (46,980,023) (35,498,782)  Cash flows from financing activities  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  Net cash used in financing activities (24,495,208) (20,298,412) (35,627,633) (32,254,228)  Net (decrease)/increase in cash and cash equivalents (9,505,667) 12,723,705 (9,498,749) 22,635,951  Cash and cash equivalents at beginning of period 29,600,146 39,098,895 39,098,895 16,462,944	Cash flows from investing activities					
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         -           Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         (12,415,327)         (11,521,739)         (18,008,714)         (15,347,041)           Dividends paid         (12,438,158)         (8,921,226)         (17,856,485)         (17,106,411)           Consumer deposits, net         758,277         144,553         237,566         199,224           Net cash used in financing activities         (24,495,208)         (20,298,412)         (35,627,633)         (32,254,228)           Net (decrease)/increase in cash and cash equivalents at beginning of period         (9,505,667)         12,723,705         (9,498,749)         22,635,951	Acquisition of property, plant and equipment		(26,225,401)	(18,039,304)	(27,800,940)	(21,177,659)
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         -           Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         (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           Net cash used in financing activities         (24,495,208)         (20,298,412)         (35,627,633)         (32,254,228)           Net (decrease)/increase in cash and cash equivalents         (9,505,667)         12,723,705         (9,498,749)         22,635,951           Cash and cash equivalents at beginning of period         29,600,146         39,098,895         39,098,895         16,462,944	Proceeds from disposal of property, plant and					
Acquisition of other financial assets  (2,196,875) (11,526,550) (33,625,294) (13,621,670)  Proceeds from disposal of other financial asset:  Net cash used in investing activities  (28,326,685) (14,535,894) (46,980,023) (35,498,782)  Cash flows from financing activities  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 (12,415,327) (11,521,739) (18,008,714) (15,347,041)  Net cash used in financing activities (24,495,208) (20,298,412) (35,627,633) (32,254,228)  Net (decrease)/increase in cash and cash equivalents at beginning of period (9,505,667) 12,723,705 (9,498,749) 22,635,951  Cash and cash equivalents at beginning of period (39,098,895) 16,462,944	equipment		51,797	14,368	13,217	64,064
Proceeds from disposal of other financial asset:         653,232         15,558,259         15,402,661         -           Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         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           Net cash used in financing activities         (24,495,208)         (20,298,412)         (35,627,633)         (32,254,228)           Net (decrease)/increase in cash and cash equivalents         (9,505,667)         12,723,705         (9,498,749)         22,635,951           Cash and cash equivalents at beginning of period         29,600,146         39,098,895         39,098,895         16,462,944	Acquisition of intangible assets		(609,438)	(542,667)	(969,667)	(763,517)
Net cash used in investing activities         (28,326,685)         (14,535,894)         (46,980,023)         (35,498,782)           Cash flows from financing activities         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           Net cash used in financing activities         (24,495,208)         (20,298,412)         (35,627,633)         (32,254,228)           Net (decrease)/increase in cash and cash equivalents         (9,505,667)         12,723,705         (9,498,749)         22,635,951           Cash and cash equivalents at beginning of period         29,600,146         39,098,895         39,098,895         16,462,944	Acquisition of other financial assets		(2,196,875)	(11,526,550)	(33,625,294)	(13,621,670)
Cash flows from financing activities         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         Net cash used in financing activities       (24,495,208)       (20,298,412)       (35,627,633)       (32,254,228)         Net (decrease)/increase in cash and cash equivalents       (9,505,667)       12,723,705       (9,498,749)       22,635,951         Cash and cash equivalents at beginning of period       29,600,146       39,098,895       39,098,895       16,462,944	Proceeds from disposal of other financial asset		653,232	15,558,259	15,402,661	-
Cash flows from financing activities         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         Net cash used in financing activities       (24,495,208)       (20,298,412)       (35,627,633)       (32,254,228)         Net (decrease)/increase in cash and cash equivalents       (9,505,667)       12,723,705       (9,498,749)       22,635,951         Cash and cash equivalents at beginning of period       29,600,146       39,098,895       39,098,895       16,462,944	Net cash used in investing activities	-		(14,535,894)		(35,498,782)
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         Net cash used in financing activities       (24,495,208)       (20,298,412)       (35,627,633)       (32,254,228)         Net (decrease)/increase in cash and cash equivalents       (9,505,667)       12,723,705       (9,498,749)       22,635,951         Cash and cash equivalents at beginning of period       29,600,146       39,098,895       39,098,895       16,462,944	C1. fl f fin f	-				
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         Net cash used in financing activities       (24,495,208)       (20,298,412)       (35,627,633)       (32,254,228)         Net (decrease)/increase in cash and cash equivalents       (9,505,667)       12,723,705       (9,498,749)       22,635,951         Cash and cash equivalents at beginning of period       29,600,146       39,098,895       39,098,895       16,462,944			(12 415 225)	(11 521 720)	(10,000,714)	(15 247 041)
Consumer deposits, net         758,277         144,553         237,566         199,224           Net cash used in financing activities         (24,495,208)         (20,298,412)         (35,627,633)         (32,254,228)           Net (decrease)/increase in cash and cash equivalents         (9,505,667)         12,723,705         (9,498,749)         22,635,951           Cash and cash equivalents at beginning of period         29,600,146         39,098,895         39,098,895         16,462,944	- ·					
Net cash used in financing activities         (24,495,208)         (20,298,412)         (35,627,633)         (32,254,228)           Net (decrease)/increase in cash and cash equivalents         (9,505,667)         12,723,705         (9,498,749)         22,635,951           Cash and cash equivalents at beginning of period         29,600,146         39,098,895         39,098,895         16,462,944	1					
Net (decrease)/increase in cash and cash equivalents       (9,505,667)       12,723,705       (9,498,749)       22,635,951         Cash and cash equivalents at beginning of period       29,600,146       39,098,895       39,098,895       16,462,944	-	-				
equivalents       (9,505,667)       12,723,705       (9,498,749)       22,635,951         Cash and cash equivalents at beginning of period       29,600,146       39,098,895       39,098,895       16,462,944	9	-	(24,495,208)	(20,298,412)	(35,627,633)	(32,254,228)
period <b>29,600,146</b> 39,098,895 39,098,895 16,462,944	equivalents		(9,505,667)	12,723,705	(9,498,749)	22,635,951
<u> </u>			29,600,146	39,098,895	39,098,895	16,462,944
		\$				

Notes to Unaudited Consolidated Financial Statements For the Nine Months Ended September 30, 2017

(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.
- 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.