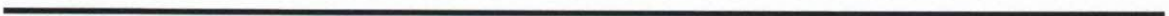


**ST. LUCIA ELECTRICITY SERVICES LIMITED**

Unaudited Consolidated Financial Statements  
For the Nine Months Ended September 30, 2018  
(Expressed in Eastern Caribbean Dollars)



**ST. LUCIA ELECTRICITY SERVICES LIMITED**

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**ST. LUCIA ELECTRICITY SERVICES LIMITED**

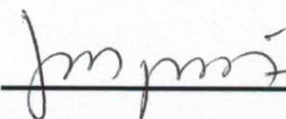
## Unaudited Consolidated Statement of Financial Position

*(Expressed In Eastern Caribbean Dollars)*

	Note	As at September 30, 2018 \$'000s	As at December 31, 2017 \$'000s
<b>Assets</b>			
<b>Non-current</b>			
Property, plant and equipment		345,678	348,357
Intangible assets		12,801	12,436
Retirement benefit Asset		1,955	-
<b>Total non-current assets</b>		<b>360,434</b>	<b>360,794</b>
<b>Current</b>			
Inventories		13,656	13,720
Trade, other receivables and prepayments		61,708	49,598
Other financial assets		33,378	40,672
Derivative financial instruments	4	2,104	4,288
Income tax recoverable		1,844	429
Cash and cash equivalents		22,712	22,644
<b>Total current assets</b>		<b>135,402</b>	<b>131,351</b>
<b>Total assets</b>		<b>495,836</b>	<b>492,145</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital		80,163	80,163
Retained earnings		174,664	159,186
Fair value reserve		(1,075)	331
Revaluation reserve		15,351	15,351
Self-insurance reserve		36,582	33,972
<b>Total shareholders' equity</b>		<b>305,685</b>	<b>289,003</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Borrowings		94,317	82,203
Consumer deposits		18,065	17,761
Deferred tax liabilities		32,651	33,596
Post-employment medical benefit liabilities		2,036	2,036
<b>Total non-current liabilities</b>		<b>147,069</b>	<b>135,596</b>
<b>Current</b>			
Borrowings		10,737	18,563
Trade and other payables		30,391	47,058
Provision for other liabilities		1,485	1,485
Dividends payable		469	440
<b>Total current liabilities</b>		<b>43,082</b>	<b>67,546</b>
<b>Total liabilities</b>		<b>190,151</b>	<b>203,142</b>
<b>Total shareholders' equity and liabilities</b>		<b>495,836</b>	<b>492,145</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 3 months ended September 30, 2018 \$'000s	For the 3 months ended September 30, 2017 \$'000s	For the 9 months ended September 30, 2018 \$'000s	For the 9 months ended September 30, 2017 \$'000s
<b>Revenue</b>				
Energy sales	81,276	71,758	228,848	208,021
Other revenue	673	590	1,835	1,585
	<u>81,949</u>	<u>72,348</u>	<u>230,683</u>	<u>209,605</u>
<b>Operating expenses</b>				
Fuel costs	42,146	32,599	114,648	94,697
Transmission and distribution	10,664	9,688	30,423	29,025
Generation	6,082	5,220	17,731	15,951
	<u>58,892</u>	<u>47,507</u>	<u>162,802</u>	<u>139,673</u>
<b>Gross income</b>	23,057	24,841	67,881	69,932
Administrative expenses	(8,748)	(7,818)	(23,460)	(22,372)
<b>Operating profit</b>	14,309	17,023	44,421	47,560
Interest income	171	176	486	535
Other gains/(losses), net	5	61	55	63
<b>Profit before finance costs and taxation</b>	14,485	17,260	44,962	48,158
Finance costs	(1,286)	(1,458)	(3,932)	(4,606)
<b>Profit before taxation</b>	13,199	15,802	41,030	43,552
Taxation	(3,696)	(4,427)	(11,482)	(12,290)
<b>Net profit for the period</b>	9,503	11,375	29,548	31,262
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified to profit or loss:</b>				
Fair value (loss)/gain on other financial assets	(164)	201	(1,406)	820
<b>Items that will not be reclassified to profit or loss:</b>				
Re-measurements of defined benefit pension plans, net of tax	-	-	-	-
<b>Total other comprehensive income</b>	(164)	201	(1,406)	820
<b>Total comprehensive income for the period</b>	9,339	11,576	28,142	32,082
<b>Basic and diluted earnings per share</b>	\$ 0.41	0.50	1.29	1.36



**ST. LUCIA ELECTRICITY SERVICES LIMITED**

## Unaudited Consolidated Statement of Cash Flows

(Expressed In Eastern Caribbean Dollars)

	For the 3 months ended September 30, 2018 \$'000s	For the 3 months ended September 30, 2017 \$'000s	For the 9 months ended September 30, 2018 \$'000s	For the 9 months ended September 30, 2017 \$'000s
<b>Cash flows from operating activities</b>				
Profit before taxation	13,199	15,802	41,030	43,552
<b>Adjustments for:</b>				
Depreciation	8,548	8,279	25,536	24,964
Amortisation of intangible assets	533	471	1,493	1
Interest income	(171)	(176)	(486)	(535)
Finance costs expensed	1,286	1,458	3,932	4,606
Gain on Disposal of property, plant and Loss on disposal of other financial assets	1 -	(52) -	24 -	(52) 8
Operating profit before working capital	<u>23,396</u>	<u>25,782</u>	<u>71,529</u>	<u>73,977</u>
(Increase) /decrease in inventories	(612)	(1,532)	64	(3,413)
Increase in trade, other receivables and prepayments	(8,102)	(3,490)	(12,110)	(6,892)
(Decrease)/increase in trade and other payables	(3,159)	3,838	(14,484)	706
Cash generated from operations	<u>11,523</u>	<u>24,598</u>	<u>44,999</u>	<u>64,378</u>
Interest received	157	147	487	454
Finance costs paid	(1,270)	(1,199)	(3,876)	(4,316)
Income tax paid	<u>(4,468)</u>	<u>(4,906)</u>	<u>(13,842)</u>	<u>(17,199)</u>
<b>Net cash from operating activities</b>	<u>5,942</u>	<u>18,640</u>	<u>27,768</u>	<u>43,317</u>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(4,644)	(9,772)	(22,881)	(26,227)
Proceeds from disposal of property, plant and equipment	-	52	1	52
Acquisition of intangible assets	(862)	(368)	(1,858)	(609)
Acquisition of other financial assets	(2,209)	(1,317)	(4,276)	(2,197)
Acquisition of pension plan assets	(1,955)	-	(1,955)	-
Proceeds from disposal of other financial assets	<u>1,620</u>	<u>248</u>	<u>10,163</u>	<u>653</u>
<b>Net cash used in investing activities</b>	<u>(8,050)</u>	<u>(11,157)</u>	<u>(20,806)</u>	<u>(28,328)</u>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	15,000	-	20,000	-
Repayment of borrowings	(2,530)	(2,720)	(15,677)	(12,415)
Dividends paid	(1)	(292)	(11,432)	(12,838)
Consumer deposits, net	(57)	144	215	758
<b>Net cash from/ (used in) financing activities</b>	<u>12,412</u>	<u>(2,868)</u>	<u>(6,894)</u>	<u>(24,495)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<u>10,304</u>	<u>4,615</u>	<u>68</u>	<u>(9,506)</u>
Cash and cash equivalents at beginning of period	<u>12,408</u>	<u>15,479</u>	<u>22,644</u>	<u>29,600</u>
<b>Cash and cash equivalents at end of period</b>	<u>22,712</u>	<u>20,094</u>	<u>22,712</u>	<u>20,094</u>

**ST. LUCIA ELECTRICITY SERVICES LIMITED**

Notes to Unaudited Consolidated Financial Statements

For the Nine Months Ended September 30, 2018

*(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.
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 quarter.
4. As part of the company's hedging strategy, swaps contracts were entered into during the period. 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 \$2.1M.
5. The fair value reserve represents the unrealized loss on investments held by the subsidiary, LUCELEC Cap Ins. Inc.
6. There were no issuances, repurchases and repayments of equity securities during the quarter.
7. Loan principal and interest repayments during the quarter totaled \$3.8M.
8. There were no material events subsequent to the end of the quarter that have not been reflected in the unaudited consolidated financial statements.
9. There were no changes in contingent liabilities since the end of the prior financial year.