Schedule 2

(Select One) **FORM ECSRC – OR**

[X] QUARTERLY FINANCIAL REPORT for the period ended September 30, 2016
Pursuant to Section 98(2) of the Securities Act, 2001

OR

[ ] TRANSITION REPORT
for the transition period from________________________to ____________________
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

Issuer Registration Number: LUCELEC09091964SL

St. Lucia Electricity Services Limited
(Exact name of reporting issuer as specified in its charter)

Saint Lucia
(Territory or jurisdiction of incorporation)

John Compton Highway, Sans Souci, Castries, Saint Lucia
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): 758-457-4400

Fax number: 758-457-4409

Email address: Lucelec@candw.lc

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

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 Shares	22,400,000
Non-voting Ordinary Shares	520,000

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:

Trevor Louisy

SIGNED AND CERTIFIED

Signature

Date 28/10/2016

Name of Director:

Mathew L. Mathurin

SIGNED AND CERTIFIED

Signature

Date 26-10-16

Name of Chief Financial Officer:

Ian Peter

SIGNED AND CERTIFIED

Signature

28-10-16

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

(a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.

(b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.

(c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.

(d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

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

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non- financial indicators.

General Discussion and Analysis of Financial Condition

The company continues to meet and exceed its target liquidity and debt ratios. There is no planned departure from this position and management will continue to place a strong emphasis on working capital and cost management. As at September 2016 the company exceeded its financial performance targets; management is optimistic about the achievement of the financial performance targets set for 2016. The Company's future performance will depend on process improvements and the related gains in efficiency, while maintaining an acceptable level of reliability, power quality, safety and customer care.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.

ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.

iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.

v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.

vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.

vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.

viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.

ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

(1) Liquidity

The Company continued to operate under debt covenants stipulated in Security Sharing Agreements (SSA) with its lenders which, among other provisions set the maximum level of debt that the Company is allowed to undertake.

Stay-over arrivals for August 2016 increased over the same month last year by 7.8%. This resulted in a total YTD increase of 0.3%, compared to a 0.6% decline as of July 2016. If this upward trend continues for the remainder of the year, this could have a positive impact on electricity sales to the Hotel sector.

Towards the end of September 2016, the country was battered by Tropical Storm Matthew. The Company was able to restore supply to over 90% of customers within 24 hours, and has estimated that the restoration costs should not exceed EC$500k. The restoration costs will be met out of the company's self-insurance fund.

During the 4th quarter, the Company will be engaging in some unplanned capital and operating expenditure on the Main Administrative building to improve working conditions and carry out other major repairs and maintenance. As a result the staff and support functions will be temporarily relocated. There are some outstanding union negotiations which when concluded, will have an impact on the Company's financial position.

(2) Capital Resources

Capital expenditure for the nine months to September 30, 2016 totaled EC$18.6M, which was primarily on T&D network upgrades ($13.7M) and engine improvements ($2.7M).

Contract negotiations are ongoing for the installation of a new SCADA system, which will have data collection, system monitoring and system restoration capabilities. This project is expected to commence in the last quarter of 2016 at an estimated cost of EC$3.5M, EC$0.6M of which is forecast to be incurred by year end.

During the quarter, contract negotiations commenced for the construction of the 1 MW solar farm which is projected to cost EC$6M. The Company anticipates that over half a million dollars would be spent before year end.

Environmental impact assessments are planned for the upcoming quarter in preparation for the proposed wind farm. The Company will inject over EC$15M into this project over the next year. The Company has also given notice to Invest St. Lucia, of its intention to exercise its option to purchase the site for the 3MW solar farm. The company hopes to conclude the purchase before the end of 2016.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.

ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.

iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off- balance sheet arrangements.

iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

N/A

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.

ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.

iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.

v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.

vi) Matters that will have an impact on future operations and have not had an impact in the past.

vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations

viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ix) Performance goals, systems and, controls.

Overview of Results of Operations

The following analysis is based on the consolidated positions of St. Lucia Electricity Services Limited and its two subsidiaries-LUCELEC Cap-Ins. Inc. and LUCELEC Trust Company Inc. for the period to September 30, 2016.

Actual unit sales for the nine months of 261.0M kWhs were 3.8% (9.6M kWhs) greater than prior year sales of 251.4M kWhs. Increases realised in the Domestic (7.6%), Commercial (2.9%) and Industrial (5.4%) sectors outweighed declines in sales to the Hotel (0.4%) and Street Lights (0.6%) sectors. The recent improvement in visitor arrivals to the island has not yet impacted sales to the hotel sector, to the extent budgeted. The performance in the Street Lights sector is due to the replacement of LED lights in place of some of the existing high pressure sodium lamps, the latter of which consume more electricity.

Year-to-date revenue of EC$195.7M was lower than that of the corresponding period in 2015 of EC$239.4M by 18.3% ($43.7M), despite the increase in units of electricity sold. This was mainly due to lower tariffs charged caused by declining fuel prices. The average tariff charged for the period was EC$0.74 per kilowatt hour as compared to EC$0.94 in 2015 The lower revenue is expected to continue as long as fuel costs continue to fall below that incurred in 2015.

Transmission and distribution costs for the period of EC$28.5M increased by 5.6% (EC$1.5M) over the same period last year of EC$27.0M due mainly to increases in T&D network maintenance and employee costs.

Generation costs for the period to September 30, 2016 of EC$15.6M were greater than that of the same period in the previous year of EC$15.2M by 2.6% (EC$0.4M) primarily due to higher payroll costs.

Administrative expenditure for the reporting period of EC$22.7M were 5.1% (EC$1.1M) greater than that of the same period last year of EC$21.6M due to increases in employee costs, professional fees, donations and repairs and maintenance. These cost increases were partly offset by lower meter reading and debt collection costs.

Year-to-date finance costs of EC$6.6M were 25.8% (EC$2.3M) lower than the same period in the prior year of EC$8.9M, due to lower interest rates negotiated during the year.

The year-to-date profit before tax of EC$38.0M was 18.4% (EC$5.9M) greater than the same period in 2015 of EC$32.1M due to higher unit sales and lower finance costs.

Likewise, profit after tax for the year to date of EC$27.4M was 18.1% (EC$4.2M) greater than the corresponding period last year of EC$23.2M.

Earnings per share for the nine months of EC$1.20 was 18.8% greater than the corresponding period for 2015 of EC$1.01.

3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

1. The Company had identified certain risks in the process of preparing for the new regulatory framework. To mitigate this risk, the Company established a Regulatory Reform Team to spearhead the Company's involvement in the regulatory reform process. Employee training, stakeholder engagements and the review of the National Utilities Regulatory Commission (NURC) Bill, were some of the activities undertaken by the Regulatory Reform Team as part of their work programme. The ESA as amended was assented to in the early part of 2016 and provides the new regulatory body, the NURC with the authority to allow Independent Power Producers (IPPs) to generate electricity from renewable sources. Associated risk implications for the Company include the possibility of stranded assets and the loss of professional staff to Independent Power Producers (IPPs). The Company has begun to engage the NURC as the energy sector transitions to a competitive environment particularly in the area of generation of electricity from renewable energy sources.

2. The Company's previous fuel price hedging strategy was amended to mitigate the scenario of significant price movements as was experienced with the drop in prices in 2014. During that period and continuing into part of 2015 customers had to pay more for electricity than they would have, had the Company not hedged. In order to allow for flexibility and to help mitigate these risks the Company commenced the use of Options. Using this hedging tool, prices can be fixed within a range and the Company can participate in the market depending on how the price moves.

3. The Company continued to explore and analyze the next phase of major generation capacity which it estimates will be required by 2021 at the earliest. A suitable location in the south of the island was identified in 2012 and is currently being leased by the Company, part of which will be used for the establishment of a solar farm. There are a number of key factors to be considered in finalizing the level of future capital investment such as:

- The most efficient and effective technology, taking into consideration the environment, reliability of supply, and price.
- The cost of the various options and the likely impact on the financial operations of the Company;
- Access to the required capital on favorable terms;
- The nature and extent of renewable power to be included in the energy portfolio, their costs and likely tariff impact;
- The risk factors to be managed in the event that there are delays in the delivery of new energy capacity when required;
- The likely impact of changes in the regulatory regime on energy strategy and supply;
- Support and cooperation of other stakeholders especially the GOSL.
- General economic and operating conditions.

The Company therefore needs to monitor and manage progress in all of the above areas so as to ensure that it can mitigate the risk of insufficient and non-optimized costly generating capacity, in a timely manner.

4. The annual hurricane season between June and November remains a constant threat to the business. The Company continues to design its systems to withstand the impact from a category 3 hurricane.

5., The Company established a Self-Insurance Fund (SIF) as a vehicle to mitigate the unavailability of reasonably priced insurance coverage for the Transmission & Distribution (T&D) plant on the market. As at September 30, 2016 the Fund balance was EC$30.7M. The Company also had access to a standby credit facility of EC$10M to meet any emergency asset restoration costs should the need arise. The Net Book Value of the T&D assets were approximately EC$137.3 Million as at the reporting period. During the quarter, the Company conducted a solvency analysis of the self-insurance fund. The report suggested that at the current premium level of $3M the SIF will continue to provide a 'reasonable' level of security and would eventually achieve long-term reserve levels once the impact of major catastrophe events are mitigated. Management intends to review the annual premium as an additional measure to mitigate the risk of being under-insured, in the event of a total loss

6. With universal access to electricity being achieved in Saint Lucia, the Company's future growth potential is limited, without a significant expansion in economic activity. Management has commenced the process of putting in place the requisite legal, operational and structural systems that will allow the Company to explore other revenue opportunities outside its core business area. Shareholders gave prior approval to the setting up of a subsidiary holding company to implement diversification plans. It is anticipated that some of these plans will come to fruition in 2017.

7. Debt management continues to be a priority for the Company. With respect to its second largest debtor, the Company has entered into a financing arrangement which is being honored. All accounts continue to be monitored on an on-going basis to keep delinquency at its minimum.

8. The Company utilizes Return on Equity as one of the measures of its performance. As shareholders' equity increases and profits remain fairly flat the Company is faced with the risk of continued diminishing Return on Equity. Management will continue focusing on cost optimization and management as a means of mitigating this risk. There are also plans to increase its profitability by diversifying its revenue stream.

9. System Losses, specifically due to electricity theft, continue to be a concern for the Company, given the implications for the cost of electricity, unrecognized revenues and ultimately reduced shareholder returns. During the reporting period, the Company obtained additional resources to commence investigation of identified instances of electricity theft.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

N/A

5. Changes in Securities and Use of Proceeds.

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

N/A

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

- Name and address of underwriter(s)

- Amount of expenses incurred in connection with the offer

- Net proceeds of the issue and a schedule of its use

- Payments to associated persons and the purpose for such payments

(c) Report any working capital restrictions and other limitations upon the payment of dividends.

N/A

6. Defaults upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

N/A

(b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

N/A

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

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

(b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

(c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

(d) A description of the terms of any settlement between the registrant and any other participant.

(e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

8. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

N/A

ST. LUCIA ELECTRICITY SERVICES LIMITED

Unaudited Consolidated Financial Statements
For the Nine Months Ended September 30, 2016
(Expressed in Eastern Caribbean Dollars)

ST. LUCIA ELECTRICITY SERVICES LIMITED

ST. LUCIA ELECTRICITY SERVICES LIMITED
Unaudited Consolidated Statement of Financial Position
(Expressed In Eastern Caribbean Dollars)

	As at September 30, 2016	As at December 31, 2015
Assets		
Non-current		
Property, plant and equipment	**$ 334,965,926**	341,491,994
Intangible assets	**11,893,823**	13,081,709
Retirement benefit assets	**1,058,000**	1,058,000
Other financial assets	**-**	172,278
Total non-current assets	**347,917,749**	355,803,981
Current		
Inventories	**12,821,224**	14,381,152
Trade, other receivables and prepayments	**57,172,050**	63,208,484
Derivative financial assets	**171,676**	-
Other financial assets	**15,378,843**	18,991,757
Cash and cash equivalents	**51,822,600**	39,098,895
Total current assets	**137,366,393**	135,680,288
Total assets	**$ 485,284,142**	491,484,269
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	**$ 80,162,792**	80,162,792
Retained earnings	**151,330,346**	135,334,298
Retirement benefit reserve	**1,058,000**	1,058,000
Revaluation reserve	**15,350,707**	15,350,707
Self-insurance reserve	**30,688,955**	28,204,502
Total shareholders' equity	**278,590,800**	260,110,299
Liabilities		
Non-current		
Borrowings	**106,814,906**	121,712,672
Consumer deposits	**16,319,521**	16,111,107
Deferred tax liabilities	**32,940,252**	34,379,011
Retirement benefit liability	**5,667,000**	5,667,000
Post-employment medical benefit liabilities	**1,935,000**	1,935,000
Total non-current liabilities	**163,676,679**	179,804,790
Current		
Borrowings	**19,764,963**	16,101,653
Trade and other payables	**20,612,599**	25,828,230
Provision for other liabilities	**1,485,493**	1,485,493
Derivative financial instruments	**-**	5,588,334
Dividends payable	**441,345**	423,771
Income tax payable	**712,263**	2,141,699
Total current liabilities	**43,016,663**	51,569,180
Total liabilities	**206,693,342**	231,373,970
Total shareholders' equity and liabilities	**$ 485,284,142**	491,484,269

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, 2016	For the 9 months ended September 30, 2015	For the year ended December 31, 2015	For the year ended December 31, 2014
Revenue					
Energy sales	$	**194,137,765**	237,310,274	309,148,671	323,899,359
Other revenue		**1,537,415**	2,095,746	2,624,292	3,661,302
		195,675,180	239,406,020	311,772,963	327,560,661
Operating expenses					
Fuel costs		**84,910,266**	135,566,975	172,061,379	190,235,561
Transmission and distribution		**28,498,236**	27,031,712	34,808,981	34,609,145
Generation		**15,573,400**	15,202,048	21,952,515	21,060,780
		128,981,902	177,800,735	228,822,875	245,905,486
Gross income		**66,693,278**	61,605,285	82,950,088	81,655,175
Administrative expenses		**(22,700,996)**	(21,585,871)	(32,514,572)	(33,354,720)
Operating profit		**43,992,282**	40,019,414	50,435,516	48,300,455
Interest income		**565,116**	773,069	1,031,219	1,589,465
Other gains, net		**54,714**	246,036	307,043	67,121
Profit before finance costs and taxation		**44,612,112**	41,038,519	51,773,778	49,957,041
Finance costs		**(6,568,365)**	(8,916,540)	(11,820,118)	(12,956,548)
Profit before taxation		**38,043,747**	32,121,979	39,953,660	37,000,493
Taxation		**(10,624,445)**	(8,922,695)	(11,044,646)	(10,192,086)
Net profit for the period		**27,419,302**	23,199,284	28,909,014	26,808,407
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Re-measurements of defined benefit pension plans, net of tax		**-**	-	(6,719,300)	1,615,529
Gain on revaluation of land		**-**	-	15,350,707	-
Total other comprehensive income		**-**	-	8,631,407	1,615,529
Total comprehensive income for the period	$	**27,419,302**	23,199,284	37,540,421	28,423,936
Basic and diluted earnings per share	$	**1.20**	1.01	1.26	1.17

. LUCIA ELECTRICITY SERVICES LIMITED
audited Consolidated Statement of Cash Flows
xpressed In Eastern Caribbean Dollars)

		For the 9 months ended September 30 2016	For the 9 months ended September 30, 2015	For the year ended December 31, 2015	For the year ended December 31, 2014
ash flows from operating activities					
ofit before taxation	$	**38,043,747**	32,121,979	39,953,660	37,000,493
ljustments for:					
Depreciation		**24,565,372**	23,977,208	31,987,180	30,970,042
Amortisation of intangible assets		**1,730,553**	1,735,790	2,313,936	2,180,034
Finance costs expensed		**6,568,365**	8,916,540	11,820,118	12,956,548
nterest income		**(565,116)**	(773,069	(1,031,219)	(1,589,465)
Movement in allowance for impairment		**-**	-	1,509,808	2,885,884
Gain on disposal of property, plant and		**(14,368)**	(11,000	(60,517)	(28,039)
Post-retirement benefits		**-**	-	(138,959)	53,887
Operating profit before working capital		**70,328,553**	65,967,448	86,354,007	84,429,384
Decrease/(increase) in inventories		**1,559,928**	694,866	(3,916,343)	1,551,133
Decrease/(increase) in trade, other receivables and prepayments		**448,100**	21,679,657	31,176,397	(11,035,411)
Decrease in trade and other payables		**(5,387,640)**	(3,300,683	(2,595,660)	(1,628,644)
ncrease in provision for other liabilities		**-**	-	1,485,493	-
Cash generated from operations		**66,948,941**	85,041,288	112,503,893	73,316,462
nterest received		**318,599**	557,254	759,322	1,498,365
Finance costs paid		**(6,216,889)**	(8,783,799	(12,072,996)	(12,829,710)
ncome tax paid		**(13,492,640)**	(10,801,259	(10,801,259)	(13,369,190)
t cash from operating activities		**47,558,011**	66,013,484	90,388,961	48,615,927
ash flows from investing activities					
equisition of property, plant and equipment		**(18,039,304)**	(13,585,505)	(21,177,659)	(26,571,380)
oceeds from disposal of property, plant and uipment		**14,368**	11,000	64,064	28,444
equisition of intangible assets		**(542,667)**	(178,524)	(763,517)	(1,086,397)
equisition of other financial assets		**(11,526,550)**	(11,287,037)	(13,621,670)	(5,010,531)
oceeds from disposal of other financial assets		**15,558,259**	-	-	-
et cash used in investing activities		**(14,535,894)**	(25,040,066)	(35,498,782)	(32,639,864
ash flows from financing activities					
epayment of borrowings		**(11,521,739)**	(9,754,025)	(15,347,041)	(14,724,543)
ividends paid		**(8,921,226)**	(8,178,932)	(17,106,411)	(16,035,784)
onsumer deposits, net		**144,553**	27,622	199,224	427,951
et cash used in financing activities		**(20,298,412)**	(17,905,335)	(32,254,228)	(30,332,376)
et increase in cash and cash equivalents		**12,723,705**	23,068,083	22,635,951	(14,356,313)
ash and cash equivalents at beginning of period		**39,098,895**	16,462,944	16,462,944	30,819,257
ash and cash equivalents at end of period	$	**51,822,600**	39,531,027	39,098,895	16,462,944

Accompanying Notes

- These unaudited consolidated financial statements present the results of the St. Lucia Electricity Services Limited and its two subsidiaries-LUCELEC Cap-Ins. Inc. and LUCELEC Trust Company Inc.
- The principal accounting policies adopted and methods of computation have been consistently applied to the periods presented in these unaudited consolidated financial statements.
- There were no unusual assets, liabilities, income or expenses recorded during the quarter.
- There were no significant changes in estimates of amounts reported in the prior financial year.
- There were no issuances, repurchases and repayments of equity securities during the quarter.
- During the period financial assets totaling $15.5M of the parent company were encashed and paid to the self-insurance subsidiary.
- The self-insurance subsidiary invested $11.1M in money market funds using funds received from the parent company.
- A final dividend of $0.39 per share was approved at the annual general meeting of the shareholders held in May 2016. Dividends totaling $8.9M were paid out in June 2016.
- Loan principal and interest repayments for the nine months ended September 30, 2016 totaled $17.6M.
- There were no material events subsequent to the end of the quarter that have not been reflected in the unaudited consolidated financial statements.
- In January 2016, a 100% owned subsidiary company was incorporated. There were no transactions for this subsidiary during the reporting period.
- There were no changes in contingent liabilities or assets since the end of the prior financial year.