Schedule 2
FORM ECSRC – OR

(Select One)

[ ] **QUARTERLY FINANCIAL REPORT** for the period ended March 31, 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. 22,920,000

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:	Name of Director:
Trevor M. Louisy	
Signature	Signature
Date	Date

Name of Chief Financial Officer:
Ian Peter

Signature

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

Under the provisions of the Electricity Supply Act (ESA) Cap 9.02 Revised Laws of Saint Lucia, the base tariffs for 2016 were re-set to reflect the new average fuel price of the previous 12 months, reducing the average tariff from EC$0.977 to EC$0.914, a decline of 6.4% (EC$0.06). As fuel prices for the first quarter of 2016 were lower than the average price paid in 2015, the final price of electricity charged to customers was further reduced by an average of EC$0.191. Although fuel prices appear to be on the rebound, the total tariff charged to customers for 2016 is likely to be less than that charged for 2015.

The company continues to maintain a healthy financial position as suggested by its liquidity and debt ratios. There is no planned departure from this position and management will continue to place a strong emphasis on working capital management. We remain optimistic about the achievement of the performance targets for 2016, despite the fact that there are still further amendments to be made to the ESA (tariff formula, license requirements and service standards). The thrust for renewable energy and increases in self generation is expected to negatively impact the Company's profit levels. 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.

The Company will continue to focus on implementing the strategic initiatives approved by the Board.

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 main revenue source of the Company continued to be from the sale of electricity to customers in Saint Lucia. Electricity is accessible to approximately 99% of St. Lucian households and other establishments.

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.

Liquidity in the banking sector is high and with few sizeable projects available, the market for loan financing is favourable to borrowers. Given LUCELEC's strong financial position, financing for capital projects now and in the short term, is not a concern for management.

St. Lucia launched its Citizenship by Investment Programme (CIP) on January 1, 2016. To participate in the programme, applicants have the option of either a cash deposit or investing in real estate, government bonds or an enterprise investment project. If applicants opt to invest in the enterprise investment project in areas such as specialty restaurants, agro-processing plants, research institutions or offshore universities, this could result in a boost in economic activity which could benefit LUCELEC through increased electricity sales in sectors such as commercial and industrial.

There are some major projects in progress in the local hotel industry which are expected to be completed by year end. This will auger well for the tourism industry and the economy overall, as well as for LUCELEC through increased electricity sales.

(2) Capital Resources

The Company's 2016 capital budget of EC$41.7M is expected to fund enhancements to the transmission and distribution (T&D) network and the generation engines, the installation of smart meters and renewable energy projects such as wind and solar. The Company's capital budget is being financed out of working capital.

Capital expenditure for the first quarter of 2016 totaled EC5.5M, which was primarily on T&D network upgrades and an engine overhaul.

During the quarter, the request for proposals was issued for the 3MW solar farm to be constructed in the south of the island. This solar farm is expected to supplement the generation of electricity from fossil fuels with a renewable resource. In addition, the company completed the installation of a 75kW photovoltaic (PV) system at the Company's main compound as part of its investment in renewable energy sources.

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 analysis following is based on the consolidated results of St. Lucia Electricity Services Limited and its two subsidiaries - LUCELEC Cap-Ins. Inc. and LUCELEC Trust Company Inc.

Actual unit sales for the first quarter of 2016 of 83.3M kWhs were 1.0% greater than prior year sales of 82.5M kWhs. Increases realised in the Domestic (4.5%), Commercial (1.3%) and Industrial (3.5%) sectors were partly offset by declines in sales to the Hotel (5.4%) and Street Lights (1.2%) sectors. We do not expect significant changes to the level of consumption in the second quarter.

Revenue for the quarter of EC$61.2M was lower than the corresponding period of 2015 of EC$78.8M by 22.4% (EC$17.6M). The reduction was due mainly to the lower tariffs charged caused by declining fuel prices, despite the increase in units of electricity sold. The average tariff charged for the period was EC$0.73 per kilowatt hour, which represented a 22.3% decline from the tariff charged for same period last year of EC$0.94 per kilowatt hour. This trend is expected to continue unless fuel costs rise above that incurred in 2015.

Generation costs for the quarter of EC$4.7M were lower than the same period in the previous year of $5.1M by EC$0.4M (7.8%) primarily due to lower engine maintenance costs.

Transmission and distribution costs for the first quarter of EC$9.3M increased by EC$0.4M (4.0%) compared to the same period last year of EC$8.9M due to increases in T&D network maintenance costs (EC$0.2M) and depreciation (EC$0.2M).

Administrative expenditure for the quarter of EC$7.0M were in line with the same period last year.

This quarter's profit before tax of EC$11.6M was 1.5% (EC$0.2M) greater than the same period in 2015 of EC$11.4M.

Likewise, profit after tax for the quarter of EC$8.4M was 2.2% (EC$0.2M) greater than the corresponding period last year of EC$8.2M.

Earnings per share for the quarter of EC$0.37 was slightly greater than the first quarter for 2015 of $0.36.

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.

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, stake holder 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 latter part of 2015 and provides the new regulatory body, the NURC with the authority and to allow independent power producers (IPPs) to generate electricity. 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 will engage the NURC as the energy sector transitions to a competitive environment in the area of generation of electricity, from renewable energy sources.

Fuel prices dropped significantly throughout the year in review. While the Company's fuel price hedging strategy was successful in reducing price volatility over the past six years, in 2015, as a result of the significant drop in oil prices, customers have had to pay more for electricity than they would have, had the Company not hedged. This was largely due to the impact of unexpired hedge contracts placed in a period of rising oil prices. With noticeable reductions in local fuel prices, the Company was exposed to reputational risks as customers' expectation of commensurate reductions in electricity prices were not realized. The Company had managed the reputational risks by reminding various stakeholders through a series of stakeholder engagements on the purpose of the fuel hedging strategy and the potential risks during sudden changes in prices.. During the year, the Company reviewed its fuel price hedging strategy and explored the use of alternative hedging tools to help mitigate some of the risks identified
The Company's rate of return of 11.64% (10.02% in 2014) was within the legislated allowable rate of return bandwidth (10%-14.5%) that does not require the Company to either increase the tariff or provide a rebate for distribution.

The annual hurricane season between June and November remained a constant risk factor. As far as practicable the Company continued to design its systems to minimize the impact from hurricanes.

Obtaining insurance coverage for the Transmission & Distribution (T&D) plant on the market, at a cost effective rate, has been a challenge in the past. As such, the company established a Self Insurance Fund as a vehicle to mitigate against losses in the event of catastrophic events. As at March 31, 2016 the Fund balance was EC$28.8M. 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 estimated at EC$136.94 Million at the end of the year. Although periodic risk assessments are conducted to ascertain the most likely potential damage from a natural disaster, the Company is faced with the risk of being under-insured in the event of a total loss, a critical risk in this hurricane-prone region.

With universal access to electricity being achieved in Saint Lucia, the Company's future growth potential is limited. 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 approval to the setting up of a subsidiary holding company in 2014 to implement diversification plans. It is anticipated that some of these plans will come to fruition in 2016.

Debt management continued to pose a challenge given the local economic climate leading to a lengthening receivables aging profile, consequently debt management remained a priority for the Company. With respect to its 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.

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

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. The Company has been in discussions with the Royal St. Lucia Police Force in order to obtain additional resources so that investigation of identified instances of electricity theft can be done on a timely basis.

The Company faces the risk of the imposition of value added tax (VAT) on the electricity services as a source of revenue for the GOSL. The risk implications are increased cost of electricity to customers, customer dissatisfaction, reputational damage and increased debt collection costs. Although the Company does not have any control over the imposition of this tax, the Company has conceptualized a communication plan for key stakeholders, intensified its diversification efforts to secure new revenue streams and continues to monitor the situation closely.

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.

There were no legal proceedings instituted against the company during the period under review

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)

  N/A

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

  N/A

- Name and address of underwriter(s)

  N/A

- Amount of expenses incurred in connection with the offer N/A

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

  N/A

- Payments to associated persons and the purpose for such payments

  N/A

(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.

N/A

(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.

N/A

(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.

N/A

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

N/A

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

N/A

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 Three Months Ended March 31, 2016
(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)

	As at March 31, 2016	**As at December 31, 2015**
Assets		
Non-current		
Property, plant and equipment	**$ 338,782,808**	341,491,994
Intangible assets	**12,716,130**	13,081,709
Retirement benefit assets	**1,058,000**	1,058,000
Other financial assets	**172,626**	172,278
Total non-current assets	**352,729,564**	355,803,981
Current		
Inventories	**12,506,994**	14,381,152
Trade, other receivables and prepayments	**55,293,034**	63,208,484
Other financial assets	**19,102,233**	18,991,757
Cash and cash equivalents	**45,532,127**	39,098,895
Total current assets	**132,434,388**	135,680,288
Total assets	**$ 485,163,952**	491,484,269
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	**$ 80,162,792**	80,162,792
Retained earnings	**142,892,371**	135,334,298
Retirement benefit reserve	**1,058,000**	1,058,000
Revaluation reserve	**15,350,707**	15,350,707
Self-insurance reserve	**29,071,003**	28,204,502
Total shareholders' equity	**268,534,873**	260,110,299
Liabilities		
Non-current		
Borrowings	**121,712,672**	121,712,672
Consumer deposits	**16,287,937**	16,111,107
Deferred tax liabilities	**33,677,748**	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	**179,280,357**	179,804,790
Current		
Borrowings	**14,216,208**	16,101,653
Trade and other payables	**17,846,435**	25,828,230
Provision for other liabilities	**1,485,493**	1,485,493
Derivative financial instruments	**2,772,124**	5,588,334
Dividends payable	**426,102**	423,771
Income tax payable	**602,360**	2,141,699
Total current liabilities	**37,348,722**	51,569,180
Total liabilities	**216,629,079**	231,373,970
Total shareholders' equity and liabilities	**$ 485,163,952**	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 3 months ended March 31, 2016	For the 3 months ended March 31, 2015	For the year ended December 31, 2015	For the year ended December 31, 2014
Revenue				
Energy sales	$ **60,734,737**	77,868,530	309,148,671	323,899,359
Other revenue	**458,685**	972,011	2,624,292	3,661,302
	61,193,422	78,840,541	311,772,963	327,560,661
Operating expenses				
Fuel costs	**26,132,296**	43,647,874	172,061,379	190,235,561
Transmission and distribution	**9,310,552**	8,953,664	34,808,981	34,609,145
Generation	**4,668,108**	5,064,805	21,952,515	21,060,780
	40,110,956	57,666,343	228,822,875	245,905,486
Gross income	**21,082,466**	21,174,198	82,950,088	81,655,175
Administrative expenses	**(7,040,109)**	(7,070,729)	(32,514,572)	(33,354,720)
Operating profit	**14,042,357**	14,103,469	50,435,516	48,300,455
Interest income	**240,303**	249,159	1,031,219	1,589,465
Other gains, net	**26,625**	129,087	307,043	67,121
Profit before finance costs and taxation	**14,309,285**	14,481,715	51,773,778	49,957,041
Finance costs	**(2,675,900)**	(3,020,171)	(11,820,118)	(12,956,548)
Profit before taxation	**11,633,385**	11,461,544	39,953,660	37,000,493
Taxation	**(3,208,812)**	(3,221,566)	(11,044,646)	(10,192,086)
Net profit for the period	**8,424,573**	8,239,978	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	$ **8,424,573**	8,239,978	37,540,421	28,423,936
Basic and diluted earnings per share	$ **0.37**	0.36	1.26	1.17

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

		For the 3 months ended March 31, 2016	For the 3 months ended March 31, 2015	For the year ended December 31, 2015	For the year ended December 31, 2014
Cash flows from operating activities					
Profit before taxation	$	**11,633,384**	11,461,544	39,953,660	37,000,493
Adjustments for:					
Depreciation		**8,023,287**	7,886,582	31,987,180	30,970,042
Amortisation of intangible assets		**585,453**	578,549	2,313,936	2,180,034
Finance costs expensed		**2,675,901**	3,020,171	11,820,118	12,956,548
Interest income		**(240,303)**	(249,159)	(1,031,219)	(1,589,465)
Movement in allowance for impairment		**-**	162,500	1,509,808	2,885,884
Gain on disposal of property, plant and		**(13,043)**	(9,000)	(60,517)	(28,039)
Post-retirement benefits		**-**	-	(138,959)	53,887
Operating profit before working capital		**22,664,679**	22,851,187	86,354,007	84,429,384
Decrease/(increase) in inventories		**1,874,158**	11,436,340	(3,916,343)	1,551,133
Decrease/(increase) in trade, other receivables and prepayments		**5,099,240**	(356,274)	31,176,397	(11,035,411)
Decrease in trade and other payables		**(7,981,876)**	(4,472,492)	(2,595,660)	(1,628,644)
Increase in provision for other liabilities		**-**	-	1,485,493	-
Cash generated from operations		**21,656,201**	29,458,761	112,503,893	73,316,462
Interest received		**129,479**	225,558	759,322	1,498,365
Finance costs paid		**(2,266,291)**	(2,815,626)	(12,072,996)	(12,829,710)
Income tax paid		**(5,449,414)**	(3,893,119)	(10,801,259)	(13,369,190)
Net cash from operating activities		**14,069,975**	22,975,574	90,388,961	48,615,927
Cash flows from investing activities					
Acquisition of property, plant and equipment		**(5,314,100)**	(2,496,529)	(21,177,659)	(26,571,380)
Proceeds from disposal of property, plant and equipment		**13,043**	9,000	64,064	28,444
Acquisition of intangible assets		**(219,874)**	(48,988)	(763,517)	(1,086,397)
Acquisition of deposits		**-**	(7,447,789)	(13,621,670)	(5,010,531)
Net cash used in investing activities		**(5,520,931)**	(9,984,306)	(35,498,782)	(32,639,864
Cash flows from financing activities					
Repayment of borrowings		**(2,248,754)**	(2,091,908)	(15,347,041)	(14,724,543)
Dividends paid		**2,331**	(412)	(17,106,411)	(16,035,784)
Consumer deposits, net		**130,611**	(337,848)	199,224	427,951
Net cash used in financing activities		**(2,115,812)**	(2,430,168)	(32,254,228)	(30,332,376)
Net increase in cash and cash equivalents		**6,433,232**	10,561,100	22,635,951	(14,356,313)
Cash and cash equivalents at beginning of period		**39,098,895**	16,462,944	16,462,944	30,819,257
Cash and cash equivalents at end of period	$	**45,532,127**	27,024,044	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 quarter, loan principal and interest repayments totaled $4.5M.
- The final dividend for 2015 will be declared at the annual general meeting of the shareholders scheduled for the upcoming quarter.
- 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 quarter.
- There were no changes in contingent liabilities or assets since the end of the prior financial year.