



2021

ANNUAL REPORT



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CORPORATE OVERVIEW

MISSION

To be the benchmark of Jamaica's renewable energy industry and the premier independent power producer in Jamaica and the Caribbean involved in development, installation and promulgation of wind, photovoltaic grid tied systems and other renewable energy projects.

VISION

To increase the wealth of our shareholders by launching new business lines and operating profitably while preserving the environment, practicing good corporate citizenship and building technical capacity in renewable energy for Jamaica and the Caribbean.



CORPORATE DATA

INDEPENDENT/NON-EXECUTIVE DIRECTORS

- Oliver W. Holmes, B.Sc., M.Sc.
Chairman
- Dennis Chung, J.P., FCA, M.Sc.
- Nigel Davy, B.T., J.P.
- M. Georgia Gibson Henlin, QC., B.A., LL.B.(Hons.), LL.M., CCFE, FCI Arb.
- Hugh G. Johnson
- Gregory Shirley, B.A., MBA
- Jacqueline M. Stewart Lechler, J.P.
- Dan Theoc, FCA, MBA
- Omar Azan, J.P.

EXECUTIVE DIRECTOR

Earl Barrett, B.Sc.
Managing Director

COMPANY SECRETARY

Shaun Treasure, FCCA

OPERATING LOCATION

Wigton Phases I, II and III
Rose Hill
Manchester, Jamaica

REGISTERED OFFICE

36 Trafalgar Road
Kingston 10
St. Andrew, Jamaica
Tel: (876) 960-0568/3994
Email: wigton.info@wwfja.com
Website: www.wwfja.com

ATTORNEY-AT-LAW

Nerine Small
Chambers LexFORTE
Suite 7, Building A
80 Lady Musgrave Road
Kingston 10
St. Andrew, Jamaica

AUDITORS

PricewaterhouseCoopers Jamaica
Scotiabank Centre
Corner Duke and Port Royal Streets
Kingston, Jamaica

REGISTRAR AND TRANSFER AGENT

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston, Jamaica

BANKERS

First Global Bank Limited
2 St. Lucia Avenue
Kingston 5
St. Andrew, Jamaica

INVESTOR RELATIONS

Earl Barrett, Managing Director
Shaun Treasure, Company Secretary





CORE VALUES

ETHICS AND INTEGRITY



Wigton Windfarm Limited (“Wigton” or the “Company”) is transparent, accountable and committed to always acting in the best interests of its stakeholders, to include, its shareholders and employees.

CONTINUOUS LEARNING



Wigton strongly believes in the training and development of its employees, challenging employees to grow and reach their highest potential individually and collectively and also allowing employees to take personal ownership, be accountable and learn from their experiences.

The Company has a strong human resource development agenda and in its engagement of technical international consultants/contractors ensures appropriate transfer of knowledge, primarily to its engineers and other technical staff.

RESILIENCE AND DRIVE FOR RESULTS



Wigton is keen on delivering strong and sustainable value for its shareholders and performing to the highest standards. The Company continues to meet its business targets with revenues and profits generated remaining in the local economy by virtue of the shareholdings in the Company being 100% Jamaican. Additionally, in a bid to ensure its resilience in the industry in which it operates, Wigton actively aims to maintain high levels of plant availability and production, identify viable projects and improve on its services and business processes.

ENVIRONMENTAL PROTECTION AND SAFETY



Wigton maintains a 100% clean energy facility. All operations of the Company seek to preserve the environment and alleviate the effects of climate change. Wigton’s current wind energy generation also accounts for a reduction in the use of fossil fuels by more than 100,000 barrels of oil per year and avoids emittance of more than 120,000 tonnes of carbon dioxide annually.

COMMUNITY SUPPORT



Wigton is committed to meeting the highest standards of corporate citizenship by creating long-lasting relationships and providing support to the community in which the Company does business. The Company has a solid reputation as a good corporate citizen with a strong track record for social interventions at the community level. Priority areas of support provided by the Company are education, crime prevention and community development.

CORE BUSINESS

WIND ENERGY GENERATION

Wigton owns and operates a 62.7MW wind energy generation facility situated in Rose Hill, Manchester which supplies electricity to the Jamaica Public Service Company Limited and, by extension, the national grid. The facility is comprised of three (3) wind energy generation plants, more particularly described below.

	CAPACITY	YEAR INSTALLED	NUMBER OF WIND TURBINES	RATINGS OF WIND TURBINES	TYPES OF WIND TURBINES
WIGTON I	20.7 MW	2004	23	900kW	NEG Micon NM52
WIGTON II	18 MW	2010	9	2000 kW	Vestas V80
WIGTON III	24 MW	2016	12	2000 kW	Gamesa G80

TRAINING LAB

The Wigton Renewable Energy Training Lab which was established in 2016 is a modern and advanced training facility situated at Wigton’s wind energy generation facility in Rose Hill, Manchester. The Training Lab offers practical and theoretical courses in the core areas of renewable energy with training being offered through workshops, seminars, lectures, practical lab work and tours of the facility.

The courses offered at the Training Lab are assured and recognized by City and Guilds and are therefore in accordance with globally recognized standards which meet the expectations of organizations across the world.



ANNUAL GENERAL MEETING

ADVISORY ON ANNUAL GENERAL MEETING

Dear Valued Shareholders,

Please be advised that Wigton Windfarm Limited will notify you, our shareholders, of the date of the next Annual General Meeting of the Company as soon as it has been determined.

The Notice of the Annual General Meeting will be issued and published on our website and in accordance with all statutory requirements.

We thank you for your support and understanding.



Shaun Treasure (Mrs.)
Company Secretary
July 30, 2021





GOVERNANCE

- The Board of Directors
- Chairman's Message
- Corporate Governance Structure



BOARD OF DIRECTORS



Oliver W. Holmes, B.Sc., M.Sc., Chairman

Board Tenure: Two (2) years and Three (3) months

Mr. Holmes is a finance and management specialist who has contributed significantly to the development of the financial and commercial sectors of the Jamaican economy over several decades. His career includes executive and leadership roles at Citibank Jamaica, where he led the bank's operations in the areas of corporate banking, lease financing, centralized operations, financial control and as head of the Bank's regional internal audit team.

Following his career at Citibank Jamaica, Mr. Holmes assumed the position of Chief Operating Officer at Manufacturers' Merchant Bank Limited where he participated in growing the bank into one of the leading merchant banks in Jamaica. In his current role as Managing Director of Capital Options Limited, a

financial advisory firm he founded in 1997, he leads transactions in capital raising, mergers and acquisition, private equity, real estate development and financial advisory services for the firm's corporate clients.

Mr. Holmes contributes to the Jamaican market through directorships on publicly listed and private companies. He also serves on the Boards of Carreras Limited and Allied Insurance Brokers Limited, as Chairman, and Barnett Limited, as a Director.

He is a former guest lecturer in the Department of Management Studies at the University of the West Indies, Mona (UWI) and the University of Wales, MBA Programme. He holds a Bachelor of Science Degree in Management Studies and a Master of Science Degree in Accounting from the UWI. A sports enthusiast, Mr. Holmes has competed in several sporting activities in Jamaica.



Earl Barrett, B.Sc., Managing Director

Mr. Barrett, an engineer with over forty (40) years of experience, has been at the helm of Wigton for more than eleven (11) years. He holds a Bachelor of Science Degree in Electrical Engineering from the Milwaukee School of Engineering, Wisconsin, USA. He received senior management training from the Kellogg Graduate School of Management, Northwestern University and the University of Illinois at Urbana-Champaign.

Mr. Barrett is a lifetime member of the Institute of Electrical and Electronic Engineering (IEEE) and a Past Chairman of the Electrical Engineering Practices Committee of the Bureau of Standards Jamaica.



Dan Theoc, FCA, MBA

Board Tenure: Six (6) months

Mr. Theoc is a Chartered Accountant licensed by the Institute of Chartered Accountants of England and Wales and is the holder of a Master of Business Administration (Finance) Degree from the University of Manchester.

He began his career in 1990 with KPMG, gaining eleven (11) years of invaluable experience in areas such as auditing, accounting, taxation, business plan development and other assurance related services. He thereafter served as Financial Controller, Vice President of Finance and Chief Financial Officer at the Jamaica Public Service Company Limited (JPSCo) over a total period of sixteen (16) years and as General Manager of the JPSCo subsidiary, South Jamaica Power Company Limited (SJPC) for eighteen (18) months. This saw him being responsible

for financial reporting and planning, corporate financing and treasury, tax and strategic planning, pension administration, regulatory and tariff submissions, and procurement at JPSCo and playing a critical role in the successful execution of the financial structuring for a major development/project of SJPC.

Mr. Theoc is currently Senior Vice President of Investment Banking at Mayberry Investments Limited and prides himself in being an energy and finance expert with a strong focus on promoting the growth and development of the Jamaican economy.

Over the years, Mr. Theoc has served as a Director on the Boards of various entities and is currently also a Director of MCS Group Limited, a wholly owned subsidiary of Jamaica National Group Limited.



Dennis Chung, JP, FCA, M.Sc.

Board Tenure: One (1) year and Three (3) months

A Chartered Accountant by profession, Mr. Chung is Chief Executive Officer at Supreme Ventures Services Limited and currently serves as Chairman of GK Capital Management Limited and the National Solid Waste Management Authority. He is also a Director at Petrojam Limited and the Jamaica Football Federation and a Justice of the Peace, for the parish of St. Andrew.

Prior to his current appointments, Mr. Chung was CEO of the Private Sector Organization of Jamaica and served on numerous public and private sector boards, including the Bank of Jamaica, and more recently the Pension Industries Association of Jamaica.

A former Chairman of National Integrity Action, Mr. Chung is also a Past President and a Fellow of the Institute of Chartered Accountants of Jamaica and a Past Director of the Institute of Chartered Accountants of the Caribbean.

A graduate of Jamaica College, Mr. Chung completed a Bachelor of Science Degree and a Master of Science Degree in Accounting, in 1987 and 1989 respectively, at the University of the West Indies, and the Certified Public Accountant exams in 1990 in California, USA. He has authored two books; Charting Jamaica's Economic and Social Development – A much needed paradigm shift; and Achieving Life's Equilibrium – balancing health, wealth, and happiness for optimal living.



Gregory Shirley, B.A., MBA

Board Tenure: Two (2) years and Three (3) months

Mr. Shirley holds a Bachelor of Arts Degree in Economics from the University of Arkansas and a Master of Business Administration Degree from Michigan State University. He has over thirty (30) years of experience as a management consultant at KPMG where he rose to Partner-in-Charge of Advisory Services for KPMG CARICOM. In that capacity he provided business advisory services to firms in a wide range of industries across the Caribbean region, including banking and finance, utilities, manufacturing and the service sector. Prior to joining KPMG in

1976, he served as Manager of Human Resources Planning and Development for a major United States utility company.

Mr. Shirley also serves on the boards of Jamaica Broilers Group Limited, JMMB Bank Limited and Phoenix Printery Limited. He also served on numerous Public Sector Boards, including, Port Authority of Jamaica as a Director and Kingston Container Terminals Limited as Chairman.

He is currently a trustee of the Munro and Dickerson Trust and was formerly Chairman of the Munro College School Board.



Hugh G. Johnson

Board Tenure: Two (2) years and Three (3) months

Mr. Johnson is a certified automotive engineer who spent several years working in the field of motor vehicle assessment before embarking on a career in agriculture. For the last nineteen (19) years Mr. Johnson has been a broiler farmer and prior to that he raised livestock. He is active in organic agriculture, having served for over twenty-five (25) years as Managing Director and later as Chief Executive Officer of Johnson and Sons Organic Fertilizer Company Limited. For his contribution to sustainable agriculture in 2008 he received a Food and Agriculture Organization of the

United Nations award for food security and biodiversity; and he was an Inter-American Institute for Corporation in Agriculture regional hemispheric farmer nominee in 2009.

Mr. Johnson is the immediate Past President of the Small Business Association of Jamaica, Vice President of The World Cocoa Farmers Organization and a founding member of the Jamaica Organic Agricultural Movement. He also serves as a Director of the Jamaica Business Development Corporation and is the Vice Prime Minister of the State of the African Diaspora.



Jacqueline M. Stewart Lechler, CD, J.P.

Board Tenure: Two (2) years and Three (3) months

Mrs. Stewart-Lechler is the Managing Director of the Stewart's Automotive Group of Companies, which comprises Stewart's Auto Sales Limited, Silver Star Motors Limited, Budget Car Rental, Automotive Art, Amber Solutions, Simpson Finance Jamaica Limited, JAMECO Equipment Company Limited and the

Richard and Diana Stewart Foundation. She has over thirty-five (35) years of experience in the automotive industry and in the fields of Accounting, Sales, Marketing, and Human Resources.

Mrs. Stewart-Lechler sits on several external boards, including the Island Traffic Authority and the Jamaica Promotions Corporation.



Nigel Davy, B.T., J.P.

Board Tenure: Two (2) years and Three (3) months

Mr. Davy is an entrepreneur and energy professional with over thirty (30) years of experience in the energy sector. He currently serves as Managing Director of Innovative Energy Company Limited, an engineering, energy and construction company which conducts operations in Jamaica and the Caribbean and which he founded in the early 2000s.

Prior to instituting his own company, Mr. Davy developed, financed, constructed and operated over fifteen (15)

cogeneration and energy infrastructure projects in the United States of America, Central America and Jamaica.

A qualified Aeronautical Engineer and Commercial Pilot, Mr. Davy earned a Bachelor of Technology Degree from the College of Aeronautics in New York and holds several certificates in Electrical Power Generation Management, Power Systems Harmonics and Power Plant Management. He is also the holder of several professional licenses from the Federal Aviation Administration and Federal Communication Commission.



Omar Azan, J.P.

Board Tenure: Six (6) months

Mr. Azan, an entrepreneur for over fifteen (15) years, is the Chairman and Chief Executive Officer of Boss Furniture Company Limited, a leading manufacturing company with local and regional customers and an employ of over 200 Jamaicans. He also served in various capacities, including Vice President, Treasurer, Deputy President and President, at the Jamaica Manufacturers' Association for over a period of ten (10) years.

Mr. Azan is a recipient of the Prime Minister's Medal of Appreciation for service to Jamaica (2013) and several other

awards including the Private Sector Organisation of Jamaica 50 under Fifty Business Leader Award (2012), the NCB Nation Builder Award (2008), the Ministry of Labour and Social Security Award for Leadership, Advocacy and Patronage (2011) and the Jamaica Observer Business Leader Award (2003).

As an avid believer of offering your service for the development of your country, Mr. Azan is a lifetime member of the Jamaica Manufacturers' Association and currently also serves on the Boards of the Jamaica Broilers Group Limited, Inter-American Development Bank Civil Society, Phoenix Printery Limited and EdgeChem Jamaica Limited.



M. Georgia Gibson Henlin, QC, B.A., LL.B. (Hons.), LL.M., FCI Arb.

Board Tenure: Two (2) years and Three (3) months

Mrs. Gibson Henlin is the Managing Partner of the law firm, Henlin Gibson Henlin. She has practised at the Jamaican Bar since 1993 and was appointed Queen's Counsel (QC) in 2015. In addition, she is called to the Bar in Ontario, Canada and New York, USA. She practices as a commercial litigator with a focus on information and communications technologies, intellectual property, data protection and privacy and cybersecurity.

Mrs. Gibson Henlin is a Fellow of the Chartered Institute of Arbitrators, a Certified Computer Forensics Examiner (CCFE), and a Certified Information Privacy Professional with specialisation

in the GDPR (CIPP/E, CIPM). She is a member of the Jamaican Bar Association, the International Bar Association, the American Bar Association, the International Trademark Association and the International Technology Law Association. Mrs. Gibson Henlin has published several articles in international journals on intellectual property law issues and technology and she speaks on these subjects and numerous other issues at local and international law conferences.

Mrs. Gibson Henlin also serves as a Director of the Urban Development Corporation, eGov Jamaica Limited and the Human Employment and Resource Training/National Service Training Agency Trust.

DIRECTORS' REPORT

The Directors of Wigton Windfarm Limited submit herewith their Annual Report and Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL RESULTS

TOTAL REVENUES
\$2,809,900

PROFIT BEFORE TAXATION
\$1,027,006

NET PROFIT AFTER TAXATION
\$792,701

NET PROFIT AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS
\$789,378

DIVIDEND

Having regard to the results of the financial year, the overriding debt obligations of the Company and its future projects and initiatives, the Directors do not recommend the payment of a dividend for the 2020/2021 financial year.

BOARD OF DIRECTORS

The Directors as at March 31, 2021 were as follows:

- Oliver W. Holmes, B.Sc., M.Sc. - Chairman
- Earl Barrett, B.Sc. - Managing Director
- Dennis Chung, J.P., FCA, M.Sc.
- Nigel Davy, B.T., J.P.
- M. Georgia Gibson Henlin, QC., B.A., LL.B.(Hons.), LL.M., CCFE, FCI Arb.
- Hugh G. Johnson
- Gregory Shirley, B.A., MBA
- Jacqueline M. Stewart Lechler, J.P.
- Dan Theoc, FCA, MBA
- Omar Azan, J.P.

Pursuant to Article 101 of the Company's Articles of Incorporation, one-third of the Directors (or the number nearest to one-third) will retire at the Annual General Meeting and being eligible may offer themselves for re-election. The Directors retiring, who being eligible, offer themselves for re-election are M. Georgia Gibson Henlin, QC., Jacqueline Stewart Lechler and Omar Azan.

Additionally, in accordance with Article 91 of the Company's Articles of Incorporation, Messrs Oliver W. Holmes and Gregory Shirley, both being over the age of seventy (70) years, will offer themselves for re-appointment as Directors for a period of two (2) years.

EXTERNAL AUDITORS

Messrs. PricewaterhouseCoopers have signified their willingness to continue in office pursuant to Section 154 of the Companies Act, 2004.

The Directors wish to recognize and express their gratitude and appreciation to our shareholders, stakeholders and the dedicated and hardworking Senior Management Team and staff during the year.

Dated this 30th day of July, 2021

BY ORDER OF THE BOARD

Oliver W. Holmes
Chairman

CHAIRMAN'S MESSAGE



Dear Fellow Shareholders,

At Wigton Windfarm Limited, sustainable value creation is a cornerstone of our business strategy. Despite certain challenges, we continue to strive towards progress with a robust balance sheet, a financially healthy position, and a commitment to create value for our stakeholders.

Operational excellence and sustainability have been hallmarks of the way we conduct our business at Wigton, and this financial year was nothing short of this.

During the period under review, we continued our efforts in strengthening our corporate governance structure. New company policies were promulgated, and the Board of Directors and Senior Management Team were trained in areas of corporate governance. The Board of Directors also worked very closely with the Senior Management Team to define and implement measures to protect the business and strengthen the Company's resilience. This saw both groups, during the period, establishing the strategic plan for the Company for the ensuing year.

In an effort to further strengthen the capacity of the Board of Directors and ensure that there is diversity and strategic leadership, we welcomed two (2) new members to the Board of Directors, Messrs Omar Azan and Dan Theoc, who were appointed by the Board of Directors in September 2020 and subsequently reappointed at the October 2020 Annual General Meeting.

OUR OPERATIONS

The Company consistently met its statutory and other reporting and compliance obligations throughout the year. Similar consistency was evident in the high quality of operations. We maintained our relentless focus on cost control and operational excellence which resulted in a high average plant availability of 93.3%, production of 158GWh and sales of \$2.6 billion Jamaican Dollars during the year.

Wigton maintained its corporate social responsibility as we continued our contribution to the community of Rose Hill, Manchester, where we operate our wind energy generation facility. Additionally, in operating our 100% clean energy facility and in keeping with the Company's core value of environmental protection and safety, we continue to play an important role in the transition towards a sustainable planet and retained our excellent safety record and compliance with our environmental obligations.

"Our team members have demonstrated the commitment and capability to take the Company to the next level of growth and sustainability."

The Company, in accordance with its Bond Agreements, fully repaid the principal and interest obligations in respect of the Series A Bond which reduced the Company's debt level by a total of \$710 million Jamaican Dollars. The Company also functioned as a strong pillar during the unprecedented period of the Covid-19 pandemic as our portfolio of power purchase agreements (PPA) with the Jamaica Public Service Company Limited largely insulated the Company from the difficult business environment.

In 2021 the Board of Directors resolved not to pay a dividend in order to protect the liquidity of the Company amid the limited visibility on the evolution of the Covid-19 pandemic, the Company's existing debt obligations and the imminent impact of the rate reduction under the PPA for Wigton II.

CREATING LONG-TERM VALUE

Our team members have demonstrated the commitment and capability to take the Company to the next level of growth and sustainability. We will, therefore, continue to strive towards meeting the demands of the local energy market, remain resolute in our attempts to implement new projects and other revenue generating initiatives, both locally and regionally, and harness our skills and expertise in order to deliver sustained value for our stakeholders.

Our sincere appreciation is due to our Senior Management Team for their outstanding leadership and to all our team members, as the work, dedication and support given to the Company has been immense and exceptional in so many ways. I also thank my fellow Directors for their guidance and you, our shareholders, for your continued support and confidence.

Sincerely,

Oliver W. Holmes
Chairman, Board of Directors



CORPORATE GOVERNANCE REPORT

Wigton is committed to sustaining good corporate governance in its operations. This commitment means Wigton will continue to maintain transparency, accountability, integrity, and the highest ethical and operational standards. Wigton also recognizes how critical a strong governance framework is in order to engender the trust and confidence of the Company's shareholders and stakeholders.

BOARD OF DIRECTORS

Wigton's Articles of Incorporation stipulates that the Board of Directors shall consist of a minimum of five (5) and a maximum of twelve (12) members. During the period, two (2) new members, Messrs Omar Azan and Dan Theoc, were appointed to the Board effective September 15, 2020. As of the end of the period, the Board was comprised of ten (10) members, nine (9) of which, including the Chairman, were non-executive/independent Directors. A non-executive/independent Director

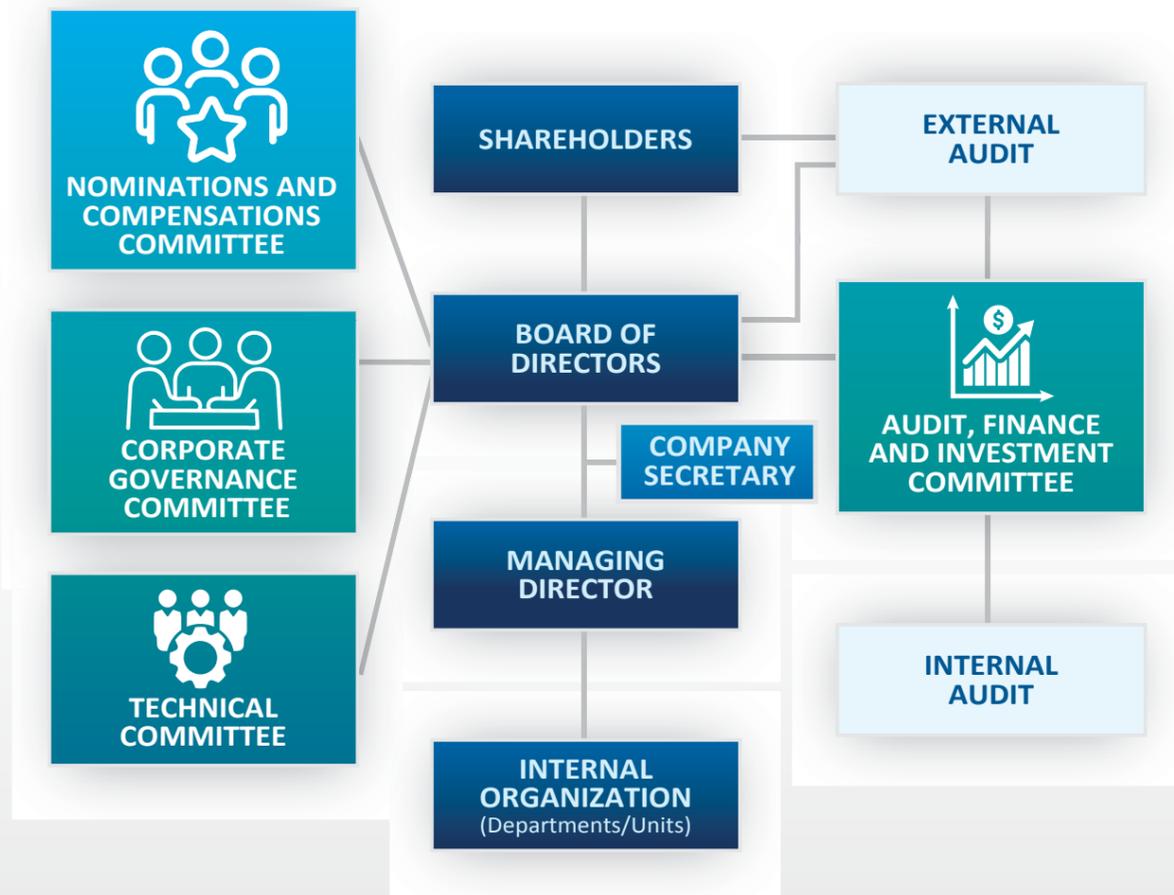
is defined in the Company's Corporate Governance Structure as "an individual who is not and has not been employed by the Company within the past three (3) years and does not represent a shareholder owning more than ten percent (10%) of the shares in the Company".

Type of Directorship	Number	Percentage
Independent/Non-executive	9	90%
Executive	1	10%

BOARD EXPERTISE AND COMPETENCE

Wigton possesses a very diverse Board and the members possess the requisite expertise, experience and competences necessary for effective and efficient leadership and oversight, which are more particularly described below.

Director	Senior Management and Business Leadership	Accounting and Financial Expertise	Legal Expertise	Human Resource Management Expertise	Corporate Governance Experience	Technical Competency
Oliver W. Holmes Independent Director						
Earl Barrett Managing Director						
Dennis Chung Independent Director						
Nigel Davy Independent Director						
M. Georgia Gibson Henlin Independent Director						
Hugh G. Johnson Independent Director						
Gregory Shirley Independent Director						
Jacqueline M. Stewart Lechler Independent Director						
Omar Azan* Independent Director						
Dan Theoc* Independent Director						



BOARD SUB-COMMITTEES

In keeping with the Board's strategic leadership and oversight role and responsibility, the Board has in place four (4) sub-committees.



AUDIT, FINANCE AND INVESTMENT COMMITTEE

- Dennis Chung (Chairman)
- Nigel Davy
- Jacqueline M. Stewart Lechler
- Dan Theoc
- Earl Barrett



CORPORATE GOVERNANCE COMMITTEE

- M. Georgia Gibson Henlin (Chairperson)
- Gregory Shirley
- Hugh G. Johnson
- Omar Azan
- Earl Barrett



NOMINATIONS AND COMPENSATIONS COMMITTEE

- Gregory Shirley (Chairman)
- Jacqueline M. Stewart Lechler
- Omar Azan
- Earl Barrett



TECHNICAL COMMITTEE

- Earl Barrett (Chairman)
- Nigel Davy
- Hugh G. Johnson
- Dan Theoc

PRIMARY FUNCTIONS

- Assist the Board in overseeing the financial risk management strategies, policies and treasury matters of Wigton.
- Ensure that Wigton adheres to its governance mandate in the specific areas of enterprise risk management, auditing policies and internal controls.
- Provide critical service to the Board by bringing to the Board's attention pertinent information raised by Internal and External Audits as well as from the Committee's review and assessment of all risks faced by the Company.
- Evaluate and make recommendations about proposed financing of new projects that require funding approval by the Board.
- Examine and recommend for Board approval the acquisition and disposal of assets (to include machinery, furniture, equipment, motor vehicles) and investments within the guidelines established by the Board.

2020/2021 HIGHLIGHTS

- Met five (5) times during the year;
- Reviewed the audited Financial Statements for the year ended March 31, 2020 as well as the quarterly unaudited Financial Statements during the year and recommended to the Board their release to the Jamaica Stock Exchange;
- Recommended the engagement of and monitored the activities of the Internal Auditor;
- Monitored the drafting/preparation of the Investment Policy;
- Monitored the drafting/preparation of the Fixed Asset Policy and recommended the adoption of same to the Board; and
- Reviewed the external audit plan/strategy for the 2020/2021 Financial Statements.

PRIMARY FUNCTIONS

- Monitor adherence to laws and regulations to ensure that the Board is and remains in compliance with the Companies Act; the Jamaica Stock Exchange Rules, Wigton's Board Charter and all other applicable laws and regulations.
- Review the corporate governance practices and policies of Wigton.
- Monitor Company operations to ensure ethical conduct and adherence to principles of good corporate governance.
- Consider all matters pertaining to conflict of interest and related party transactions and make recommendations to the Board, as required.
- Oversee evaluations of the performance of the Board and all its sub-committees.
- Recommend appropriate related short professional development programmes for Directors, within budget, that will assist the Board to effectively perform its functions.
- Ensure appropriate orientation for new Directors, in order to ensure new Directors are better able to contribute effectively to the deliberations of the Board.

2020/2021 HIGHLIGHTS

- Met two (2) times during the year;
- Monitored the drafting/preparation of the Social Media, Code of Ethics and Role of Company Secretary Policies; and
- Recommended the data protection and conflict of interest training programmes that were completed by the Board members and certain staff members.

PRIMARY FUNCTIONS

- Identify and nominate candidates for appointments to fill vacancies on the Board and the Senior Management Team.
- Make recommendations for the re-appointment of non-executive/independent Directors at the end of the stated term of office, considering the Director's performance on the Board.
- Guide or, where necessary, spearhead, the Company's succession management process.
- Oversee the Company's compensation structure to ensure that Wigton is competitive in the job market and capable of engaging and retaining key talent.
- Research and make recommendations on the remuneration of non-executive/independent Directors for their time, commitment, and responsibilities.

2020/2021 HIGHLIGHTS

- Met two (2) times during the year;
- Reviewed candidates for appointment to the Board;
- Reviewed the succession management strategy; and
- Made recommendations and guided the implementation of Wigton's Performance Appraisal Plan.

PRIMARY FUNCTIONS

- Assist the Board in fulfilling its oversight responsibilities on specific technical matters which are beyond the scope or expertise of non-technical Directors.
- Provide oversight when projects or technical jobs within the Company move to the active development and implementation phases.
- Where specific technical skills can be harnessed to advance matters or projects beyond initial hurdles, assist with exploratory project functions, such as, strategic planning and business development.
- Report to the Board on issues and matters of a technical nature for the function of the Board's mandate, as necessary.

2020/2021 HIGHLIGHTS

- Met two (2) times during the year; and
- Monitored planning and due diligence in respect of six (6) potential projects that were actively pursued by the Company during the year.

The specific policy framework, functions and responsibilities of the Board and its sub-committees are set out in the Board Charter and Sub-committee Terms of References which are publicly available and may be accessed from the Company's website: www.wwfja.com.

MEETINGS AND ATTENDANCE

Due to the impact of the Covid-19 pandemic, Wigton held a hybrid Annual General Meeting (AGM) on October 21, 2020 with its shareholders. A physical venue was provided in compliance and observance of all requisite health and safety best practices, and the AGM was also streamed online to allow for all shareholders who could not be physically present to join the meeting virtually.

Wigton's AGM is the primary forum for the Board and Management to interact with the shareholders of the Company

with the aim of gaining a deeper understanding of their views and providing the opportunity for them to express concerns and queries on the performance of the Company. Shareholders were also allowed to submit their questions arising from the AGM and responses were provided by the Company on the Company's website.

The Board and the Sub-Committees of the Board have established minimum annual meeting requirements. In keeping with the requirements, scheduled meetings were held as well as special meetings to address interim matters. During the period, all meetings of the Directors were held virtually.

Director	AGM (1)	Board (13)	Audit, Finance and Investment Committee (5)	Corporate Governance Committee (2)	Nominations and Compensations Committee (2)	Technical Committee (2)
Oliver W. Holmes Independent Director	1	13/13	4/5	2/2	1/2	
Earl Barrett Managing Director	1	13/13	5/5	1/2	2/2	2/2
Dennis Chung Independent Director	1	10/13	5/5			
Nigel Davy Independent Director	1	12/13	4/5			2/2
M. Georgia Gibson Henlin Independent Director	1	10/13		2/2		
Hugh G. Johnson Independent Director	1	13/13		1/2		2/2
Gregory Shirley Independent Director	1	13/13		2/2	2/2	
Jacqueline M. Stewart Lechler Independent Director	1	12/13	5/5		1/2	
Omar Azan* Independent Director	1	6/6		0/1	0/1	
Dan Theoc* Independent Director	1	6/6	0/2			1/1

*Messrs Omar Azan and Dan Theoc were appointed on September 15, 2020. Accordingly, as of their appointment date six (6) Board meetings, two (2) Audit Finance and Investment Committee meetings and one (1) Technical Committee meeting were held.

Not A Member

STRATEGIC PLANNING

The Senior Management Team in concert with the Board developed and approved in March, 2021, the strategic plan and objectives of the Company for the upcoming financial year.

BOARD TRAINING AND DEVELOPMENT

Wigton expects its Directors to be well informed and knowledgeable about the operations of the Company and the energy sector in which the Company operates. Directors should also be aware and knowledgeable of corporate governance best practices and matters that generally touch and concern the effective and efficient running of the Company. Directors are accordingly afforded training and development opportunities through attendance/participation at workshops or conferences, presentations at Board meetings and the sharing of publications.

During the period, the Directors received training in the areas of conflict of interest and data protection which are critical areas that were assessed and deemed relevant and necessary for the Directors.

The areas of training for Directors are assessed annually and are tailored towards the maintenance of appropriate governance standards as well as the relevant support and issues the Director are expected to provide and address.

BOARD PERFORMANCE EVALUATION

The performance of our Board is evaluated annually as part of the continuous development of the Board's working methods and efficiency.

The methodology utilized encompasses each Director, through an anonymous evaluation process, assessing his or her own performance as well as that of the Board as a unit. The Corporate Governance Committee, either on its own or by

way of a consultant, oversees this evaluation process and the analysis of the anonymous evaluation assessments submitted by each Director. The results of the analysis are then shared with the Board.

BOARD REMUNERATION

The Nominations and Compensations Committee is responsible for establishing the remuneration of the Independent/Non-executive Directors. The remuneration is established having regard to the time, commitment, and responsibilities of such Directors and no share options or profit-sharing elements are applicable. Additionally, Executive Directors do not receive directors' remuneration.

During the period, the Independent/Non-executive Directors were remunerated as set out in the tables below.

APRIL 1, 2020 – DECEMBER 31, 2020		
Board Chairman	Board meeting Any other meeting	J\$150,000.00 per month* J\$75,000.00 per meeting
Sub-Committee Chairperson	Board meeting Sub-Committee meeting which is chaired Any other meeting	J\$100,000.00 per month* J\$75,000.00 per meeting J\$50,000.00 per meeting
Director	Board meeting Sub-Committee or any other meeting	J\$75,000.00 per month* J\$37,500.00 per meeting

*Payable for all meetings attended in the month, with no payment being made if no meetings were attended in the said month.

JANUARY 1, 2021 – MARCH 31, 2021		
Board Chairman	Board meeting Any other meeting	J\$150,000.00 per meeting J\$75,000.00 per meeting
Sub-Committee Chairperson	Board meeting Sub-Committee meeting which is chaired Any other meeting	J\$100,000.00 per meeting J\$75,000.00 per meeting J\$50,000.00 per meeting
Director	Board Sub-Committee or any other meeting	J\$75,000.00 per meeting J\$37,500.00 per meeting



OUR BUSINESS AND OPERATIONS

- The Senior Management Team
- Managing Director's Report

Operational excellence and sustainability have been hallmarks of the way we conduct our business at Wigton, and the 2020/2021 financial year was nothing short of this.

SENIOR MANAGEMENT TEAM



Earl Barrett, B.Sc.,
Managing Director



Michelle Chin Lenn, B.Sc. (Hons.), M.Sc.,
Project Manager

Ms. Chin Lenn is an engineer who holds a Bachelor of Science (Hons.) Degree in Chemical Engineering from the University of Waterloo, Canada and a Master of Science Degree in Engineering Management from Florida International University. Ms. Chin Lenn has been a key member of the Wigton Senior Management Team over the past sixteen (16) years. She served as Project Manager for the 18 MW Wigton II Project and the 24 MW Wigton III Expansion and also spearheaded the establishment of the Wigton Renewable Energy Training Lab. She is currently responsible for Wigton's project diversification, scoping and planning activities.

Ms. Chin Lenn has served on various national energy committees, including the Generation Code Review Committee, which she chaired and the Jamaican Energy Council Secretariat.



Rohan L. Hay, B.Sc.,
Operations Manager &
Senior Electrical Engineer

Mr. Hay is a licensed electrician and professional engineer who holds a Bachelor of Science Degree in Electrical Engineering from Florida International University. Mr. Hay has over thirty (30) years of experience gained through working in the telecommunications, mining, hospitality, and energy industries. He has been a key member of the Wigton Senior Management Team for the past twelve (12) years and is responsible for the operations at Wigton's wind energy generation facility.



Shaun Treasure, FCCA,
Finance Manager &
Company Secretary

Mrs. Treasure is a Chartered Accountant designated by the Institute of Chartered Accountants of Jamaica with more than twenty-six (26) years of experience in Accounting and Auditing. Mrs. Treasure has been a member of the Wigton Senior Management Team for approximately eighteen (18) years. She was appointed Finance Manager in 2009, after serving in various positions within the entity from 2003 and was also appointed Company Secretary in 2010.

Mrs. Treasure is a Fellow of the Institute of Chartered Accountants of Jamaica.



Shaneek Clacken, LL.B (Hons.),
Corporate Services Manager &
Assistant Company Secretary

Ms. Clacken is an Attorney-at-Law who holds a Bachelor of Laws (Hons.) from the University of Technology, Jamaica and Legal Education Certificate from the Norman Manley Law School. She joined Wigton in the position of Corporate Services Manager/Assistant Company Secretary in March 2021.

Ms. Clacken is a member of the Jamaican Bar Association and serves as a Director on the Boards of Independence Park Limited, Creative Production and Training Centre Limited and Institute of Sports Limited.

* Ms. Camille Taylor served as Communications Manager/Assistant Company Secretary from April 14, 2020 to November 13, 2020.

MANAGING DIRECTOR'S REPORT

“TURNING THROUGH UNCERTAIN TIMES”

It was indeed an unprecedented year which will never be forgotten because of the emergence and impact of the coronavirus on businesses and lives.

At Wigton, we acted quickly and readily adjusted to the health protocols that were implemented by the Government of Jamaica in an effort to protect our team members and maintain the operations of the business at a commendable level.

Despite our very meaningful efforts, not all areas of operations or the plans/objectives of the Company were unaffected by or readily adjustable to the impact of the pandemic. Our maintenance and repair schedules were negatively affected due to the global lockdowns and restrictions, as delays and additional costs associated with the shipment and receipt of critical spare parts were experienced.

Additionally, the continued efforts to diversify the operations of Wigton were stymied as travel was restricted and stakeholder priorities shifted. The management and staff, however, rose to the challenge of the new conditions and though not advancing as anticipated in terms of operational diversification, Wigton maintained its track record and achieved a net profit after taxes of approximately \$792.7 million Jamaican Dollars, a 19.6% increase when compared to the immediately preceding financial year.

We remain steadfast and resilient in our attempts to gain new projects and initiatives which we believe are critical for the sustainability of Wigton and to further attribute value to our shareholders. We will, accordingly, continue to foster synergies with critical stakeholders to ensure our increased footprint in the renewable energy industry, both locally and regionally.

It is with pleasure that we present the fulsome report on the second year of our stewardship as a company listed on the Main Market of the Jamaica Stock Exchange and I take this opportunity to thank the dedicated staff for their continued diligence and hard work, the Board of Directors for the support and guidance provided and our shareholders for their continued confidence.

“We remain steadfast and resilient in our attempts to gain new projects and initiatives which we believe are critical for the sustainability of Wigton...”



PERFORMANCE HIGHLIGHTS

**SHAREHOLDERS'
EQUITY**
\$4.2 B
UP 22%

Shareholders' equity at year end was \$4.2 billion or 22% above the previous year's equity of \$3.5 billion.

NET PROFIT
\$792.7 M
UP 19.6%

Wigton ended the year with net profit in the amount of \$792.7 million. A 19.6% increase in the net profit earned in the previous year of \$662.7 million.

**AVERAGE PLANT
AVAILABILITY RATE**
93.3%
DOWN 1.4%

The average plant availability rate was approximately 93.3% which led to total production output of 158 GWh. This average plant availability rate reflected a decrease over the previous year's average which was 94.6% as scheduled major maintenance was slowed due the impact of the Covid-19 pandemic.

GROSS PROFIT
\$1.8 B
UP 9.1%

Gross profit was approximately \$1.8 billion, which represented a 9.1% increase when compared to the previous year's amount of \$1.7 billion. The change in gross profit was as a result of the 7.3% increase in sales.

SALES REVENUE
\$2.6 B
UP 7.3%

Sales revenue for the year was approximately J\$2.6 billion representing a 7.3% increase when compared to the amount generated the previous year, which was \$2.4 billion.

TOTAL ASSETS
\$10.8 B
UP 1.9%

Wigton closed the year with total assets of \$10.8 billion, an increase of 1.9% when compared to \$10.6 billion for the previous year.

**EARNINGS PER
STOCK UNIT**
\$0.07
UP 16.7%

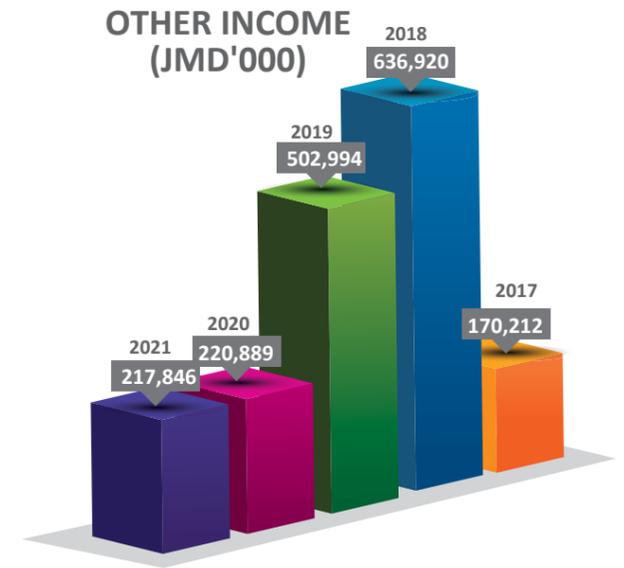
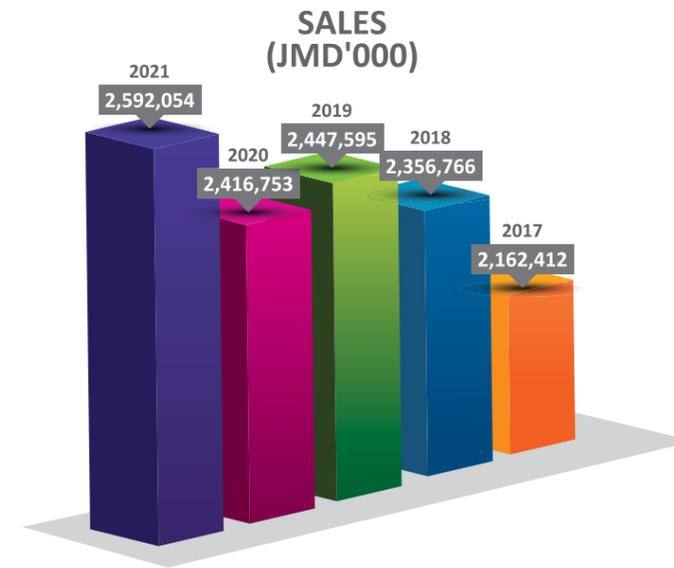
With 11 billion stock units, the net profit attributable to shareholders equated to earnings per stock unit of \$0.07, an increase of \$0.01 or 16.7% over the \$0.06 in the previous year.

AUDITED STATEMENT OF FINANCIAL POSITION MARCH 31, 2019 - MARCH 31, 2021 (IN JAMAICAN DOLLARS)

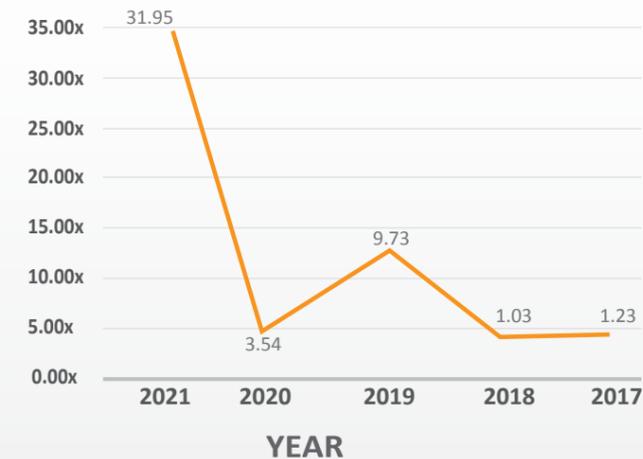
	2021 \$'000	2020 \$'000	Restated 2019 \$'000	Restated 2018 \$'000	Restated 2017 \$'000
Non-Current Assets					
Property, plant and equipment	6,913,397	7,434,593	7,997,089	8,363,008	8,782,308
Right-of-use assets	149,936	165,032	-	-	-
Deferred tax assets	-	-	-	-	50,891
Pension plan asset	-	-	82,702	67,499	165,042
	<u>7,063,333</u>	<u>7,599,625</u>	<u>8,079,791</u>	<u>8,430,507</u>	<u>8,998,241</u>
Current Assets					
Inventory	8,033	6,930	-	-	19,076
Accounts receivable	434,051	289,392	134,815	175,176	443,488
Taxation recoverable	51,167	22,244	59,710	60,591	44,802
Cash and cash equivalents	<u>3,241,427</u>	<u>2,679,744</u>	<u>1,376,599</u>	<u>690,367</u>	<u>1,117,906</u>
	3,734,678	2,998,310	1,571,124	926,134	1,625,272
Current Liabilities					
Due to former parent company	-	19,459	19,459	24,485	25,189
Accounts payable	79,743	82,105	119,498	100,947	201,393
Current portion of lease liabilities	16,405	15,248	-	-	-
Current portion of long-term liabilities	<u>20,760</u>	<u>730,258</u>	<u>22,546</u>	<u>770,475</u>	<u>1,093,367</u>
	116,908	847,070	161,503	895,907	1,319,949
Net Current Assets	<u>3,617,770</u>	<u>2,151,240</u>	<u>1,409,621</u>	<u>30,227</u>	<u>305,323</u>
	10,681,103	9,750,865	9,489,412	8,460,734	9,303,564
Equity					
Share capital	202,598	202,598	202,598	202,598	202,598
Retained earnings	<u>4,016,375</u>	<u>3,254,497</u>	<u>2,590,477</u>	<u>2,077,780</u>	<u>1,370,243</u>
	4,218,973	3,457,095	2,793,075	2,280,378	1,572,841
Non-Current Liabilities					
Capital grants	62,743	82,917	103,090	123,265	143,440
Lease liabilities	145,905	158,899	-	-	-
Long term liabilities	5,579,241	5,559,986	6,250,731	5,945,690	7,566,089
Post-employment benefit obligation	33,158	25,357	26,925	30,164	21,194
Pension plan liability	818	5,279	-	-	-
Deferred tax liabilities	<u>640,265</u>	<u>461,332</u>	<u>315,591</u>	<u>81,237</u>	<u>-</u>
Total Liabilities	<u>6,462,130</u>	<u>6,293,770</u>	<u>6,696,337</u>	<u>6,180,356</u>	<u>7,730,723</u>
	10,681,103	9,750,865	9,489,412	8,460,734	9,303,564

FIVE YEAR STATISTICAL REVIEW (IN JAMAICAN DOLLARS)

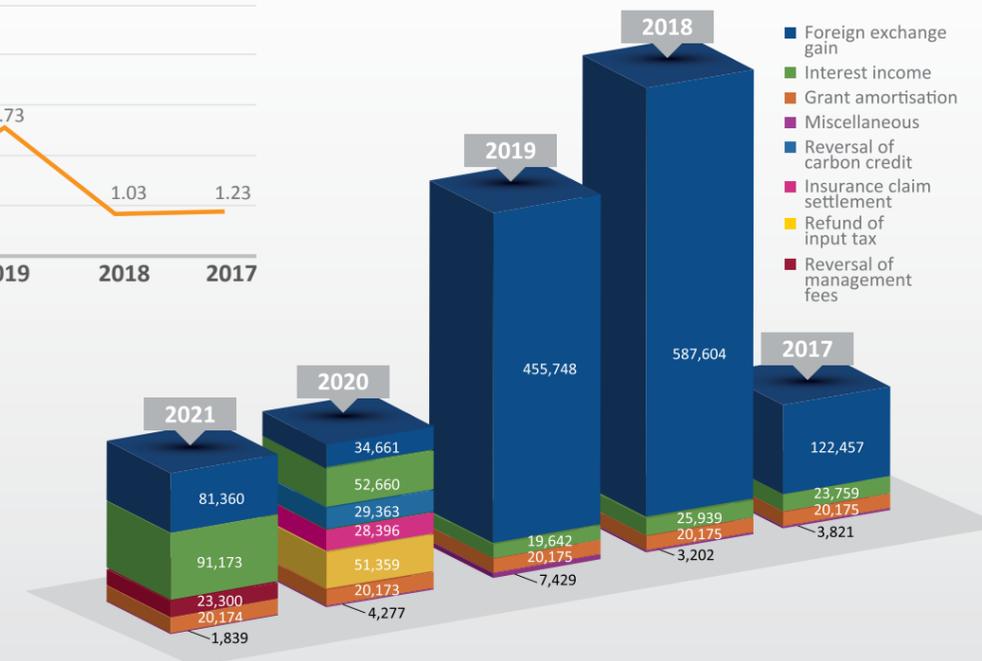
	2021 \$'000	2020 \$'000	Restated 2019 \$'000	Restated 2018 \$'000	Restated 2017 \$'000
Sales	2,592,054	2,416,753	2,447,595	2,356,766	2,162,412
Cost of sales	(789,097)	(763,852)	(740,162)	(704,416)	(658,005)
Gross Profit	1,802,957	1,652,901	1,707,433	1,652,350	1,504,407
Other Income	217,846	220,889	502,994	636,920	170,212
General administrative expenses	(490,708)	(478,577)	(433,539)	(404,121)	(339,658)
Operating profit	1,530,095	1,395,213	1,776,888	1,885,149	1,334,961
Finance expense	(503,089)	(526,643)	(1,049,526)	(877,356)	(964,192)
Profit/(loss) before taxation	1,027,006	868,570	727,362	1,007,793	370,769
Taxation	(234,305)	(205,822)	(233,768)	(240,255)	(184,564)
Net Profit	792,701	662,748	493,594	767,538	186,205
Other comprehensive Income- Remeasurement of pension and other post- employment benefits	(3,323)	1,272	19,103	7,941	28,632
Total Comprehensive Income	789,378	664,020	512,697	775,479	214,837
Earning per stock unit for profit attributable to the equity holders of the company during the year	\$ 0.07	\$ 0.06	\$ 0.04	\$ 0.07	\$ 0.02



CURRENT RATIO



COMPONENTS OF OTHER INCOME (JMD'000)



MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION

Factors Affecting Production

As a commercial scale wind farm, Wigton's wind energy generation facility utilizes wind turbine generators to convert the wind energy into electricity, which is sold to the Jamaica Public Service Company Limited. The two (2) main factors that affect production are wind speed and plant availability, with wind speed being the most critical element impacting output.

Wind energy is considered an intermittent resource and wind speed, which is not fixed, varies depending on the dictates of nature, such as the time of day or year. To favourably treat with this element of unpredictability, Wigton has a rigorous repair and maintenance programme that ensures the facility is ready and available to produce electricity once the wind speed required for the generation of energy is present.

Output and Sales

Wigton measures the operational performance of its facility by assessing the availability, which is the percentage of time that the facility is available to provide energy to the grid, against its actual output. During the period, the average availability rate achieved for all three (3) phases of the facility was 93.3%, which was in line with the benchmark target of the industry. At the same time, total wind energy output sold to the grid was approximately 157,688,754 kWh which earned \$2,592,054,000. This amount was more than the 157,369,000 kWh supplied to the grid in the immediately preceding year which earned \$2,416,753,000. The marginal difference in production of 319,754 kWh or 0.2% was due mainly to higher wind speed during the year.

Wigton's contracts with the Jamaica Public Service Company Limited are indexed to the US dollar and, as a result, the Company experiences gains in the event of a depreciation in the Jamaican dollar.

FINANCIAL PERFORMANCE

REVENUE

Total revenue for the financial year was \$2.8 billion representing a 6.5% increase when compared to the amount generated the previous year which was \$2.6 billion. The change was largely due to an increase in foreign exchange gains to \$81.4 million from \$34.7 million in the immediately preceding year. An increase in interest income, from \$52.7 million to \$91.2 million, over the financial year also contributed to the overall improvement in total revenue.

TOTAL EXPENSES

Total Expenses were \$1.3 billion, which is 3.0% or \$37.4 million above the \$1.2 billion incurred the previous year. The increase in expenses year on year occurred as a result of:

- Directors' fees increasing by \$5.7 million, or 113.0%, to \$10.8 million up from the \$5.1 million paid in 2019-2020. This increase occurred as a result of the two (2) additional Directors being appointed during the year as well as a change in how the rates are paid to Directors.
- An increase in the insurance premium as a result of an increase in global insurance rates and specifically for the Caribbean region due to perceived higher risk of hurricanes. Insurance costs climbed to \$151.6 million, an increase of \$60.4 million or 66.2% over the \$91.2 million incurred in the previous year.
- Repairs and Maintenance increasing by \$16.2 million or 19.1% to \$101.1 million from the \$84.8 million incurred in 2019-2020. The increase was attributable to the servicing of the wind turbines which has become more demanding as the facility ages from year to year and nears the end of its useful life.

Wigton benefitted from reductions in rental and utilities charges, security costs, and staff costs. Staff costs, in particular, reflected a decrease of \$81.5 million or 33.9%. This decrease was as a result of a write off of the pension plan assets in the prior year. Additionally, no salary increase was awarded to staff during the year.

TOTAL REVENUE SUMMARY

TOTAL REVENUE SUMMARY	MARCH 2021 \$'000	MARCH 2020 \$'000	ABSOLUTE CHANGE \$'000	PERCENTAGE CHANGE %
Sales from Generation of Energy	2,592,054	2,416,753	175,301	7.3
Grant Amortisation	20,174	20,173	1	-
Interest Income	91,173	52,660	38,513	73.1
Refund of Input Tax	-	51,359	(51,359)	(100.0)
Insurance Claims Settlement	-	28,396	(28,396)	(100.0)
Reversal of Carbon Credit	-	29,363	(29,363)	(100.0)
Income from Training Centre *	1,839	4,277	(2,438)	(57.0)
Foreign Exchange Gain	81,360	34,661	46,699	134.7
Reversal of Management Fees	23,300	-	23,300	100.0
Total Revenue	2,809,900	2,637,642	172,258	6.5

*Income from Training Centre of \$1.8 million represented a decline of 57.0%, or \$2.4 million, from \$4.3 million that was earned the previous year. The offering of courses at the Training Lab was curtailed due to the COVID-19 pandemic and the fact that majority of the courses offered include practical exercises and matters which are best imparted in a face-to-face environment. Notwithstanding, Wigton was able to successfully host one (1) virtual training session for the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE).

TOTAL EXPENSE SUMMARY

TOTAL EXPENSE SUMMARY	MARCH 2021 \$'000	MARCH 2020 \$'000	ABSOLUTE CHANGE \$'000	PERCENTAGE CHANGE %
Auditors' Remuneration	2,400	2,400	-	-
Depreciation	679,501	669,755	(9,746)	(1.5)
Directors' Emoluments-Fees	10,788	5,065	(5,723)	(113.0)
Insurance	151,590	91,227	(60,363)	(66.2)
Other Expense	78,567	62,132	(16,435)	(26.5)
Professional Fees	13,031	12,100	(931)	(7.7)
Rental & Utility Charges	12,508	12,529	21	0.2
Repairs & Maintenance	101,087	84,848	(16,239)	(19.1)
Staff Costs	158,902	240,353	81,451	33.9
Security Costs	11,341	11,442	101	0.9
Amortisation of Right-Of-Use Assets	15,096	11,004	(4,092)	(37.2)
Electricity	44,994	39,574	(5,420)	(13.7)
Total Expenses	1,279,805	1,242,429	(37,376)	(3.0)



TOTAL ASSETS

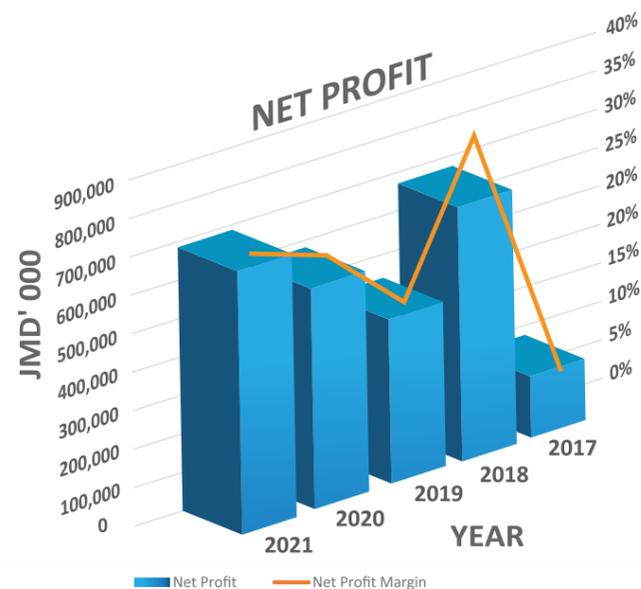
Total Assets at year-end were \$10.8 billion, a \$200.1 million or a 1.9% increase over the prior year's value of \$10.6 billion. This gain was mainly due to the increase in the value of current assets to \$3.7 billion, which is 24.6% higher than the previous year's amount of \$3.0 billion.

TOTAL LIABILITIES

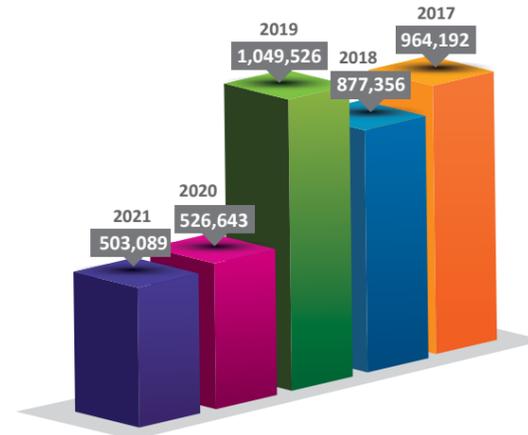
Total Liabilities were \$6.6 billion, a decrease of \$561.8 million or 7.9% when compared to the previous year at \$7.1 billion. The change occurred mainly as a result of the repayment of the Series A Bond in the amount of \$710 million in December 2020, and an increase in deferred tax liability of \$178 million.

SHAREHOLDERS' EQUITY

Shareholders' equity at year end was \$4.2 billion or 22.0% above the previous year's equity of \$3.5 billion. Earnings per stock unit (EPS) was \$0.07, up from the prior year's EPS of \$0.06.



FINANCE EXPENSE JMD' 000



RISK MANAGEMENT

Risk Management is an important component of Wigton's business management strategy. Our ability to achieve critical business objectives is greatly enhanced by identifying and addressing risks which could negatively impact the Company's operational and commercial performance.

Wigton has a wide range of risks including financial, operational, strategic, regulatory, legal and reputational. A sound and agile risk management framework enables us to serve our stakeholders and deliver value for our shareholders. If not managed well, risks can result in losses, regulatory sanctions and penalties, and damage to our reputation, each of which may adversely impact our ability to execute our business strategies.

To meet these needs, Wigton has engaged the consulting firm, Ernst and Young, which will report directly to the

Audit, Finance and Investment Committee of the Board and provide internal audit services with a remit that includes the risk management function. A three-year work plan which was approved by the Board during the period will be carried out.

OUTLOOK

Wigton was founded on the basis of developing sustainable and profitable large-scale energy solutions and as a Company with a tremendous track record, Wigton has established ambitious goals for its continued operations and its quest for local and regional renewable energy projects.

The renewable energy industry in Jamaica is regulated by laws, regulations and Government policies/plans, which include the regulation of replacement and new generation capacity being implemented and tied to the national grid. Accordingly, Wigton is actively considering its options in relation to the sustainability of Wigton I and the energy it provides to the national grid beyond 2024, when its current generation licence will expire. The Company also stands ready to respond to any request for proposal issued by the Government Procurement Entity

for the implementation of new generation capacity.

In keeping with the Company's project diversification plan there are also efforts in respect of renewable energy projects in the Caribbean region. While such pursuits are subject to the economic and political situation in a given country and the risk appetite of Wigton, there are opportunities within the Caribbean region that have been identified and are being explored.

The implementation of new projects will bolster Wigton's position in the renewable energy industry. It will also ensure that any revenue decline through the Company's transition to a new rate structure for Wigton II, which is expected to result in a decline in revenues by approximately fourteen percent (14%) per annum, is nominal and have no medium to long term negative impact on the profitability of the Company.

Wigton will continue its journey of forging new pathways for accelerated growth and appreciates the confidence shareholders have placed in the Company.

HUMAN RESOURCE MANAGEMENT

Wigton prides itself in having a highly trained, committed and knowledgeable team.

During the period and with the advent of the Covid-19 pandemic, team members readily adjusted with some team members adopting the work from home model and some key members utilizing the office space, subject to the strict health and safety measures that were implemented. There was also a significant reliance on technology during the period for team communication and interactions.

Wigton's efforts in respect of its human resource development continued with the implementation of human resource related

policies and plans to include robust Performance Assessment and Performance Incentive Plans which facilitate the setting of annual key performance objectives and goals as well as encourage, recognize and reward our dedicated team members for their work and service to Wigton.

Team members were also trained in areas of finance, information technology securities, drone operations and safety and compliance.

Wigton will continue to develop policies and undertake training and employee development initiatives to ensure the Company remains resilient through trained, knowledgeable and highly motivated team members.



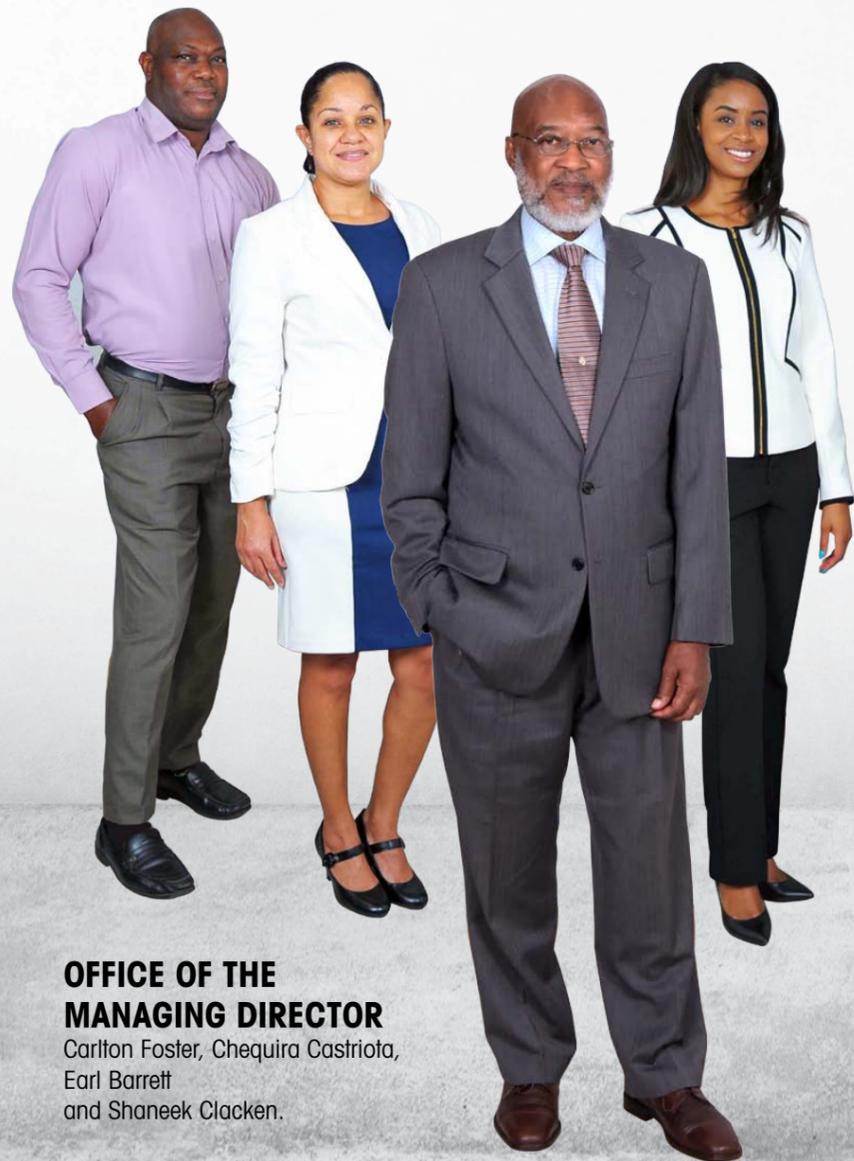
PROJECTS

Theomore Brown, Sanja Simmonds and Michelle Chin Lenn



FINANCE

Krystal Welch, Shaun Treasure, Andre Adams and Shelly-Ann Simms.



OFFICE OF THE MANAGING DIRECTOR

Carlton Foster, Cheqira Castriota, Earl Barrett and Shaneek Clacken.



OPERATIONS

Front L-R: Gordon-Brett Burrowes, Vivene Lawrence, Rohan Hay, Kerry-Gaye McDonald, Oswald King, Pegdrine Cornwall. Back L-R: Miguel McGann, Andre Heron, Shevan Roache, Sanja Simmonds, Joel Lewinson, Daniel DeSouza, Darren McIntyre, Jonoy Daye, Jeffrey Johnson, Leon Murray and Richard Page.



WIGTON I

Front L-R: Gordon-Brett Burrowes and Oswald King. Back L-R: Jonoy Daye, Joel Lewinson, Richard Page.

WIGTON II

L-R: Leon Murray, Darren McIntyre, Kerry-Gaye McDonald and Daniel DeSouza.

WIGTON III

L-R: Shevan Roache, Jeffrey Johnson, Miguel McGann and Andre Heron

HEALTH AND SAFETY

Health and safety are critical areas in which Wigton places considerable focus.

The Company maintained an excellent safety record during the period, with no serious injuries or accidents during its operations and major maintenance/repair activities. The Company also fostered increased awareness of the work environment and safety requirements by all team members and persons accessing the facility.

During the period there was also a Covid-19 mitigation strategy which saw the implementation of daily temperature checks, regularly scheduled office sanitisation, touch free devices and social distancing. Team members were also advised, through virtual meetings and periodical messages, of measures and practices to adopt in the work environment and in their personal spaces to safeguard their health and that of others.

ENVIRONMENTAL MANAGEMENT

Climate change is a current challenge and Wigton through its 100% clean energy operations and its mission of driving renewable energy projects, contribute to the reduction of greenhouse gas emissions from fossil fuels.

Wigton's approach to environmental management is also moored to its responsible business practices. The Company is in compliance with all its environmental permits and obligations.



CORPORATE SOCIAL RESPONSIBILITY

Wigton continues to maintain its solid reputation as a good corporate citizen.

Wigton's approach to social responsibility involves empowering employees to give back to their communities and affiliations as well as conducting the Company's operations in ways that are socially responsible and environmentally sustainable.

As part of Wigton's continued effort to support the Rose Hill Primary and Infant School in Manchester, Jamaica, a school within the community in which the Company's wind energy generation facility is situated, the Company completed the construction of a netball court at the School.

The Company also donated automatic hand sanitiser dispensers, tablet computers to twelve (12) students who successfully completed their Primary Exit Profile examinations and one (1) laptop computer to a teacher at the School. This initiative was done as part of the Company's efforts and commitment to provide support in this time of unprecedented health issues which has altered our day-to-day activities.

Wigton remains committed, in accordance with its guiding principles for social responsibility and subject to its budget, to fortify its relationship with the Rose Hill, Manchester community and maintain all efforts to improve, aid and add value in social environmental protection and social development, to include, education, crime prevention and community development.



The Netball Court at the Rose Hill Primary and Infant School in Manchester. The School, which Wigton has been supporting from 2004 has benefitted from major interventions and this Netball Court was completed in April, 2020.



Joylyn Logan, Principal of the Rose Hill Primary and Infant School, is captured here with students who received tablet computers courtesy of Wigton. The tablet computers were donated in keeping with Wigton's continued effort to support education and electronic learning given the changes due to the Covid-19 pandemic that have resulted in the need for technology in schools.



Our Executive Assistant to the Managing Director/Administrative Officer, Chequira Castriota, hands over automatic hand sanitiser dispensers to the Principal of the Rose Hill Primary and Infant School, Joylyn Logan.



Teacher, Sancia Bartley, is flanked by Michelle Chin Lenn, Project Manager and Shaun Treasure, Finance Manager/ Company Secretary. Ms. Bartley was the recipient of a laptop computer as part of Wigton's initiative to support electronic learning and inclusivity given the 'School at Home' arrangements during the year.

Our Managing Director, Earl Barrett, hands over a laptop computer to the Principal of the Rose Hill Primary and Infant School, Joylyn Logan.



DISCLOSURE OF SHAREHOLDINGS

SHAREHOLDINGS

SHAREHOLDINGS OF DIRECTORS AS AT MARCH 31, 2021

Directors	Shareholding	Connected Parties' Shareholdings	Total
Oliver W. Holmes	-	1,000,000	1,000,000
Earl Barrett	2,000,000	-	2,000,000
Nigel Davy	-	-	-
Dennis Chung	2,500,000	-	2,500,000
Jacqueline M. Stewart Lechler	8,730,000	8,730,000	17,460,000
M. Georgia Gibson Henlin	-	600,000	600,000
Gregory Shirley	2,000,000	-	2,000,000
Hugh G. Johnson	-	-	-
Dan Teoc	10,695,500	-	10,695,500
Omar Azan	-	-	-

There has been no change in the Directors' shareholdings occurring between March 31, 2021 and the date of publication of this Annual Report.

At no time during or at the end of the financial year has any Director had any material interest in any contract or arrangement in relation to the business of Wigton.

SHAREHOLDINGS OF SENIOR MANAGEMENT AS AT MARCH 31, 2021

Senior Managers	Shareholdings	Connected Parties' Shareholdings	Total
Earl Barrett	2,000,000	-	2,000,000
Rohan Hay	-	-	-
Michelle Chin Lenn	800,000	-	800,000
Shaun Treasure	200,000	200,000	400,000
Shaneek Clacken	-	-	-

10 LARGEST ORDINARY SHAREHOLDERS AS AT MARCH 31, 2021

Name of Shareholder	Units	Percentage
1 Mayberry Jamaican Equities Limited	1,078,246,165	9.8022%
2 Victoria Mutual Building Society	1,051,706,322	9.5610%
3 National Insurance Fund	706,797,283	6.4254%
4 Sagicor Investments Jamaica A/C#1388842	490,192,711	4.4563%
5 ATL Group Pension Fund Trustees Nom Limited	446,075,964	4.0552%
6 Geoffrey Ford	152,479,562	1.3862%
7 Sagicor Equity Fund	111,782,470	1.0162%
8 MF&G Asset Management Limited - Jamaica Investment Fund	79,939,436	0.7267%
9 Prime Asset Management - Pooled Equity Fund	71,287,494	0.6481%
10 Prime Asset Management - JPS Employees Superannuation Fund	68,730,000	0.6248%



FINANCIAL STATEMENTS

Wigton Windfarm Limited

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31 March 2021

Wigton Windfarm Limited

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31 March 2021

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Independent auditor's report

To the Members of Wigton Windfarm Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Wigton Windfarm Limited (the Company) as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Tricia-Ann Smith DaSilva.

Chartered Accountants
Kingston, Jamaica
25 May 2021

Wigton Windfarm Limited

Statement of Comprehensive Income

Year ended 31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
Sales		2,592,054	2,416,753
Cost of sales		(789,097)	(763,852)
Gross Profit		1,802,957	1,652,901
Other income	6	217,846	220,889
General administrative expenses		(490,708)	(478,577)
Operating Profit		1,530,095	1,395,213
Finance expense	9	(503,089)	(526,643)
Profit before Taxation		1,027,006	868,570
Taxation	10	(234,305)	(205,822)
Net Profit		792,701	662,748
Other comprehensive income, net of taxes -			
Items that will not be reclassified to profit or loss -			
Remeasurements of pension and other post-employment benefits	10	(3,323)	1,272
TOTAL COMPREHENSIVE INCOME		789,378	664,020
Earning per stock unit for profit attributable to the equity holders of the Company during the year	12	\$0.07	\$0.06

Wigton Windfarm Limited

Statement of Financial Position

31 March 2021

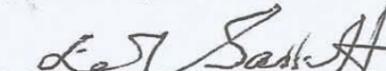
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
Non-Current Assets			
Property, plant and equipment	11	6,913,397	7,434,593
Right-of-use assets	22	149,936	165,032
		7,063,333	7,599,625
Current Assets			
Inventories		8,033	6,930
Accounts receivable	15	434,051	289,392
Taxation recoverable		51,167	22,244
Cash and cash equivalents	17	3,241,427	2,679,744
		3,734,678	2,998,310
Current Liabilities			
Due to former parent company	16	-	19,459
Accounts payable	18	79,743	82,105
Current portion of lease liabilities	22	16,405	15,248
Current portion of long-term liabilities	21	20,760	730,258
		116,908	847,070
Net Current Assets		3,617,770	2,151,240
		10,681,103	9,750,865
Equity			
Share capital	19	202,598	202,598
Retained earnings		4,016,375	3,254,497
		4,218,973	3,457,095
Non-Current Liabilities			
Capital grants	20	62,743	82,917
Lease liabilities	22	145,905	158,899
Long term liabilities	21	5,579,241	5,559,986
Post-employment benefit obligation	13	33,158	25,357
Pension plan liability	13	818	5,279
Deferred tax liabilities	14	640,265	461,332
		6,462,130	6,293,770
		10,681,103	9,750,865

Approved for issue by the Board of Directors on 25 May 2021 and signed on its behalf:



Oliver W. Holmes



Chairman

Earl Barrett

Managing Director

Wigton Windfarm Limited

Statement of Changes in Equity

Year ended 31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2019,		11,000,000	202,598	2,590,477	2,793,075
Net profit		-	-	662,748	662,748
Remeasurements of pension and other post-employment benefits	10	-	-	1,272	1,272
Total comprehensive income for 2020		-	-	664,020	664,020
Balance at 31 March 2020		11,000,000	202,598	3,254,497	3,457,095
Net profit		-	-	792,701	792,701
Remeasurements of pension and other post-employment benefits	10	-	-	(3,323)	(3,323)
Total comprehensive income for 2021		-	-	789,378	789,378
<i>Transaction with owners</i>					
Dividends paid	23	-	-	(27,500)	(27,500)
Balance at 31 March 2021		11,000,000	202,598	4,016,375	4,218,973

Wigton Windfarm Limited

Statement of Cash Flows

Year ended 31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
SOURCES OF CASH:			
Operating Activities			
Net Profit		792,701	662,748
Items not affecting cash:			
Depreciation	11	679,501	669,755
Write off of property, plant and equipment		779	-
Gain on sale of property, plant and equipment		-	(1,698)
Interest income	6	(91,173)	(52,660)
Interest expense- loans	9	479,266	494,027
Interest charge on lease liability	9	4,568	13,361
Pension plan liability		(5,919)	83,154
Post-employee benefit obligation		4,828	4,955
Taxation	10	234,305	205,822
Amortisation of upfront fees on loan	9	19,255	19,255
Amortisation of grant	20	(20,174)	(20,173)
Amortisation of right of use asset	22	15,096	11,004
Exchange gain on foreign balances		(81,360)	(34,661)
		<u>2,031,673</u>	<u>2,054,889</u>
Change in operating assets and liabilities:			
Inventory		(1,103)	(6,930)
Accounts receivable		(150,998)	(154,577)
Accounts payable		(2,362)	(37,393)
Due to parent company		(19,459)	-
		<u>1,857,751</u>	<u>1,855,989</u>
Tax paid		(83,187)	(23,039)
Cash provided by operating activities		<u>1,774,564</u>	<u>1,832,950</u>
Financing Activities			
Loans repaid		(710,000)	-
Lease repaid during the year		(16,405)	(15,248)
Interest paid		(478,764)	(496,314)
Dividend paid		(27,500)	-
Cash used in financing activities		<u>(1,232,669)</u>	<u>(511,562)</u>
Investing Activities			
Purchase of property, plant and equipment	11	(159,084)	(108,251)
Proceeds from sale of property plant and equipment		-	2,690
Interest received		97,512	52,660
Cash used in investing activities		<u>(61,572)</u>	<u>(52,901)</u>
Increase in cash and cash equivalents		480,323	1,268,487
Exchange gains on cash and cash equivalents		81,360	34,658
Cash and cash equivalents at beginning of year		2,679,744	1,376,599
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	17	<u>3,241,427</u>	<u>2,679,744</u>

The principal non-cash transactions included within the cashflow as at 31 March 2021:

- Amortization of loan fees in the amount of \$19,255,000
- Amortization of the right of use asset in the amount of \$15,096,000.
- Write back of due to parent company in the amount of \$19,459,000

In 2020, the principal non-cash transactions included within the cashflow as at 31 March 2020:

- Amortization of loan fees in the amount of \$19,255,000.
- Amortization of the right of use asset in the amount of \$11,004,000.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Wigton Windfarm Limited (the Company) is incorporated and domiciled in Jamaica. The Company was incorporated on April 12, 2000. It was formerly a wholly owned subsidiary of the Petroleum Corporation of Jamaica. On 22 May 2019, the Company became a publicly listed entity on the Jamaica Stock Exchange's Main Market. The principal activity of the Company is the generation and sale of electricity from wind technology. The Company's registered office is located at 36 Trafalgar Road, Kingston 10.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards that have been published, became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

- **Amendments to IAS 1 and 8 on the definition of material** (effective for annual periods beginning on or after 1 January 2020). The amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRS: i) use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole.

The amendment also clarifies the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The Company was not significantly impacted from the adoption of these amendments.

- **Revised Conceptual Framework for Financial Reporting** (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies, will need to consider whether their accounting policies are still appropriate under the revised Framework. The amendment is not expected to have a significant impact on the Company.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Company

At the date of authorisation of these financial statements, the following standards, amendments and interpretations to existing standards have been issued which are mandatory for the Company's accounting periods beginning on or after 1 April 2021 or later periods, but were not effective at the year end date, and which the Company has not early adopted.

- **Amendments to IFRS 16, 'Leases'-Covid-19 related rent concessions** (effective for annual periods beginning on or after 1 June 2020). As a result of coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment is not expected to have a significant impact on the Company.
- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities** (effective for annual periods beginning on or after 1 January 2022). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment is not expected to have a significant impact on the Company.
- **Amendments to IAS 16 'Property, plant and equipment'** (effective for annual periods beginning or after January 1, 2022). These amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendment is not expected to have a significant impact on the Company.
- **Amendments to IAS 37, 'Provision, contingent liabilities and contingent assets'** (effective for annual periods beginning on or after 1 January 2022). These amendments specify which costs a company includes when assessing whether a contract will be loss-making. The Company is currently assessing the impact of this standard.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

Trade Receivables

Trade receivables relate mainly to Jamaica Public Service (JPS), through which all of the Company's business is transacted. Receivables are generally due for settlement within 45 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows. The cash flows of the Company's trade receivables are solely payments of principal and interest (SPPI). Subsequent to initial recognition at fair value, the Company measures trade receivables at amortised cost using the effective interest method.

Other Financial Assets at Amortised Cost

The Company classifies its other financial assets at amortised cost only if both the asset is held within a business model the objective of which is to collect the contractual cash flows and the contractual terms give rise to cash flows that are SPPI. Other financial assets at amortised cost include cash and bank balances, balances due from related parties and other receivables.

Impairment

The Company's trade receivables and other financial assets at amortised cost are subject to the expected credit loss model in determination of impairment.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates for the ECL at 31 March 2021 are based on the payment profiles for services provided over a period of 36 months respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the Jamaica Public Service (JPS) to settle the receivables. The Company has identified the GDP and the inflation rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Financial instrument (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 45 days past due. Based on the nature of the client business there were no significant increase in credit risk, and this is solely due to the fact that the Company has a Power Purchase Agreements with its singular customer, JPS.

Where impairment losses on trade receivables have been identified these are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial liabilities

The Company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At year end date, the following were classified as financial liabilities: accounts payable, due to former parent company and long term liabilities.

Financial instruments on the statement of financial position include cash and cash equivalents, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The determination of the fair values of the Company's financial instruments is discussed in Note 3 (d)

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss in the statement of comprehensive income.

(d) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities.

The Company recognizes revenue as performance obligations that are satisfied over time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the service being provided to the customer. It is probable that the entity will recognise revenue when the following specific criteria have been met for each of the Company's activities as described below.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Revenue recognition (Continued)

Sales of electricity

Sale of electricity is recognised when the Company has generated and transferred the electricity to its customer, the customer has accepted the electricity and collectability of the related receivables is reasonably assured.

Wigton Phase II which was commissioned in December 2010 and supplies 18MW power to the grid. The plant was awarded the avoided rate for the energy it supplies and as per the terms and conditions of the Power Purchase Agreement (PPA), the final rate adjustment for this plant was applied at the end of March 2021. The rate adjustment will translate to approximately fifty percent reduction in the revenue from Wigton Phase II in United States Dollars. This is projected to equate to an overall fourteen percent decrease in revenue in Jamaican Dollars.

Interest Income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Other operating income

Other operating income is recognised as they accrue unless collectability is in doubt.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Property, plant and equipment and depreciation

All property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated on the straight line basis to write off the cost of each asset, to its residual value over its estimated useful life as follows:

Plant	20 years
Computers	5 years
Service equipment	20 years
Furniture, fixtures and equipment	10 years
Motor vehicles	5 years
Training lab	20 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit. Repairs and maintenance expenses are charged to the profit or loss in the statement of comprehensive income when the expenditure is incurred.

(f) Impairment of long-lived assets

Property, plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(g) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. Current and deferred tax is charged or credited to profit in the statement of comprehensive income, except where they relate to items charged or credited to other comprehensive income or equity, in which case, they are also dealt with in other comprehensive income or equity.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability for current income tax is calculated at tax rates that have been enacted at year end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Accounts receivable

Recognition, measurement and impairment of trade receivables balances under IFRS 9 are dealt with under note 2 (b).

Bad debts are written off during the year in which they are identified.

(i) Cash and cash equivalent

Cash and Cash equivalent are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, deposits held at call with banks and investments in money market instruments with original maturities of 90 days or less, net of bank overdraft.

(j) Accounts payable

Payables are recorded at cost.

(k) Grants

Capital grants comprise the following:

- (i) The cost less accumulated depreciation of, plant and equipment donated to the company, and
- (ii) Amounts granted to the Company subject to conditions that must be met, the primary condition being that the grant must be used for the acquisition or construction of property, plant and equipment.

The amounts meeting conditions include sums received for the purchase of property, plant and equipment. For each reporting period, an amount equivalent to the depreciation charge on the relevant property, plant and equipment for that period is transferred from capital grants as a credit to income.

(l) Borrowings

Loans are recorded at proceeds received net of fees paid. Finance charges, including direct issue costs are accounted for on an accrual basis to the statement of comprehensive income using the effective interest method and are added to the carrying amount of the loan to the extent that they are not settled in the period in which they arise.

(m) Leases

As Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(n) Employee benefits

Pension benefits

The Company participates in a defined benefit pension scheme. The scheme is funded through payments to trustee-administered funds, determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets. Where a pension asset arises, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method, the cost of providing pensions is charged in arriving at profit or loss so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plans every year. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

A new Defined Benefit Plan was established for Wigton's employees effective 1 April 2020. The Plan was approved by the Financial Services Commission on April 29, 2020.

Other post-employment benefits

The Company provides post-employment medical benefits to its retirees through participation in a scheme operated by the former parent company. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit pension plan. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(o) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

(p) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Managing Director.

3. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Company takes on exposure to credit risk, which is the risk that its customer, client or counter party will cause a financial loss for the Company by failing to discharge their contractual obligations. Credit exposures arise principally from trade receivables and cash and bank. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

Credit review process

The Company's operation is such that it only has one customer. As a result of this there is no formal credit review process employed by the Company.

Maximum exposure to credit risk

The Company's maximum exposure to credit risk at the year end was as follows:

	2021 \$'000	2020 \$'000
Trade and other receivables	215,415	195,610
Cash and cash equivalents	3,241,427	2,679,744
	<u>3,456,842</u>	<u>2,875,354</u>

The above table represents a worst-case scenario of credit risk exposure to the Company at 31 March 2021 and 2020.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets

The Company has the following types of financial assets subject to IFRS 9's expected credit loss model:

- trade receivables from the sale of electricity, and
- amounts due from the former parent company.

Trade receivables

The Company's average credit period on sale of electrical energy is 45 days. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, the Company first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due. The assumptions used in determining the expected credit loss are discussed within note 2(b).

Aging analysis of receivables that are past due but not impaired

Receivables that are less than three months past due are considered to have a loss allowance of nil (2020 – nil) based on a probability of default of 0.000%. To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics. As at 31 March 2021, the company had current accounts receivable and other receivables of \$215,415,000 (2020 - \$195,610,000). The trade receivables and other receivables that were past due then were nil (2020 – nil).

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and secured funding.

Liquidity risk management process

The Company's liquidity management process includes procedures to monitor future cash flows and liquidity on a regular basis.

The maturities of assets and liabilities are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Company's financial liabilities at year end based on contractual undiscounted payments was as follows:

	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
At 31 March 2021:					
Accounts payable	51,705	-	-	-	51,705
Lease liabilities	6,100	18,301	97,608	128,118	250,127
Long term liabilities	109,108	323,660	5,016,582	2,467,691	7,917,041
	<u>166,913</u>	<u>341,961</u>	<u>5,114,190</u>	<u>2,595,809</u>	<u>8,218,873</u>
At 31 March 2020:					
Accounts payable	51,166	-	-	-	51,166
Due to former parent company	19,459	-	-	-	19,459
Lease liabilities	8,388	19,276	100,853	141,976	270,493
Long term liabilities	119,416	1,198,769	5,306,493	2,464,419	9,089,097
	<u>198,429</u>	<u>1,218,045</u>	<u>5,407,346</u>	<u>2,606,395</u>	<u>9,430,215</u>

(c) Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the treasury department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Company further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

Concentrations of currency risk

The table below summarises the Company exposure to foreign currency exchange rate risk at 31 March.

	Jamaican\$ J\$'000	US\$ J\$'000	Total J\$'000
At 31 March 2021:			
Financial Assets			
Receivables	215,415	-	215,415
Cash and cash equivalents	1,650,968	1,590,459	3,241,427
Total financial assets	1,866,383	1,590,459	3,456,842
Financial Liabilities			
Payables	51,705	-	51,705
Lease liabilities	-	162,310	162,310
Long term liabilities	5,600,001	-	5,600,001
Total financial liabilities	5,651,706	162,310	5,814,016
Net financial position	(3,785,323)	1,428,149	(2,357,174)
	Jamaican\$ J\$'000	US\$ J\$'000	Total J\$'000
At 31 March 2020:			
Financial Assets			
Receivables	195,610	-	195,610
Cash and cash equivalents	1,495,070	1,184,674	2,679,744
Total financial assets	1,690,680	1,184,674	2,875,354
Financial Liabilities			
Payables	51,166	-	51,166
Due to former parent company	19,459	-	19,459
Lease liabilities	-	174,147	174,147
Long term liabilities	6,290,244	-	6,290,244
Total financial liabilities	6,360,869	174,147	6,535,016
Net financial position	(4,670,189)	1,010,527	(3,659,662)

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 6% devaluation and 2% revaluation (2020 – 6% devaluation and 4% revaluation) change in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

	% Change in Currency Rate	Effect on Profit before Taxation
	2021 '000	2021 '000
Currency:		
USD	+6%	85,689
USD	-2%	(28,563)
	% Change in Currency Rate	Effect on Profit before Taxation
	2020 '000	2020 '000
Currency:		
USD	+6%	43,047
USD	-4%	(28,698)

Wigton Windfarm Limited
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) **Market risk (continued)**

(ii) **Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The following table summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments and other assets at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Fixed rate instrument/Variable rate instrument/Non-Interest Bearing instrument					Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
At 31 March 2021:						
Financial Assets						
Accounts receivable	-	-	-	-	215,415	215,415
Cash and cash equivalents	3,241,392	-	-	-	35	3,241,427
Total assets	3,241,392	-	-	-	215,450	3,456,842

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2021

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3. Financial Risk Management (Continued)

(c) **Market risk (continued)**

(ii) **Interest rate risk (continued)**

	Fixed rate instrument/Variable rate instrument/Non-Interest Bearing instrument					Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
Financial Liabilities						
Accounts payable	-	-	-	-	51,705	51,705
Lease liabilities	-	16,405	67,936	77,969	-	162,310
Long term liabilities	-	-	3,577,131	2,002,110	20,760	5,600,001
Total liabilities	-	16,405	3,645,067	2,080,079	72,465	5,814,016
Total interest repricing gap	3,241,392	(16,405)	(3,645,067)	(2,080,079)	142,985	(2,357,174)
Cumulative repricing gap	3,241,392	3,224,987	(420,080)	(2,500,159)	(2,357,174)	(2,357,174)

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	Fixed rate instrument/Variable rate instrument/Non-Interest Bearing instrument	Maturity					Total
		1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
At 31 March 2020:							
Financial Assets							
Accounts receivable	-	-	-	-	-	-	195,610
Cash and cash equivalents	2,679,709	-	-	-	-	35	2,679,744
Total assets	2,679,709	-	-	-	-	195,645	2,875,354
Financial Liabilities							
Accounts payable	-	-	-	-	-	51,166	51,166
Due to parent company	-	-	-	-	-	19,459	19,459
Lease liabilities	-	15,248	57,862	101,037	-	-	174,147
Long term liabilities	-	697,187	3,578,798	1,998,837	15,422	15,422	6,290,244
Total liabilities	-	712,435	3,636,660	2,099,874	86,047	86,047	6,535,016
Total interest repricing gap	2,679,709	(712,435)	(3,636,660)	(2,099,874)	109,598	109,598	(3,659,662)
Cumulative repricing gap	2,679,709	1,967,274	(1,669,386)	(3,769,260)	(3,659,662)	(3,659,662)	

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the income statement and stockholders' equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rate on net income based on the floating rate of non-trading financial assets and financial liabilities. The sensitivity of other comprehensive income is calculated by revaluing fixed rate Fair Value through Other Comprehensive Income (FVOCI) financial assets for the effects of the assumed changes in interest rates.

	2021		2020	
	Effect on Profit before Taxation	Other Comprehensive Income before Tax	Effect on Profit before Taxation	Other Comprehensive Income before Tax
	\$'000	\$'000	\$'000	\$'000
Change in basis points:				
Decrease - JMD -100 and USD -100	(66,282)	(50,507)	(47,519)	(50,694)
Increase - JMD +100 and USD +100	131,006	50,507	99,971	50,694

(d) Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

Wigton Windfarm Limited

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(d) Fair value estimation (continued)

The fair value of the Company's financial instruments that, subsequent to initial recognition, are not measured at fair value is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. The fair values of these financial instruments are determined as follows:

- (i) The amounts included in the financial statements for Cash and cash equivalents, accounts receivable and payable and due to former parent company, reflect their approximate fair values due to the short-term nature of these instruments.
- (ii) The fair values of long-term liabilities as disclosed in note 21 approximate their fair values as they are carried at amortised cost and the interest rates are reflective of the current market rates for similar transactions.

(e) Capital management

The Company has no specific capital management strategy and is exposed to externally imposed capital requirements through debt covenants as outlined in the loan agreement with JCSD Trustee Services Limited on behalf of Bondholders. The financial covenants include: The Current ratio, Interest coverage ratio, the debt ratio and level of dividends and capital withdrawals. The Company was in compliance with the financial covenants as at the year end.

4. Critical Accounting Estimates and Assumptions in Applying Accounting Policies

The Company makes judgements and estimates concerning the future. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Key sources of estimation uncertainty

Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Wigton Windfarm Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Assumptions in Applying Accounting Policies (Continued)

Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates. The Company reassesses the useful lives and residual values annually and makes changes based on factors such as technological change, expected level of usage and physical condition of the assets concerned.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of land, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not to extend), the Company is typically reasonably certain to extend (or not to terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

5. Segment Financial Reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Company is organised and managed in three main reportable segments based on the respective windfarms.

The designated segments are as follows:

- Phase I,
- Phase II, and
- Phase III.

The Company measures the performance of its operating segments through a measure of segment profit or loss which is profit before taxation.

A measure of segment assets is only required to be disclosed if the measure is regularly provided to the chief operating decision-maker (CODM). Segment assets include items of Property, Plant and Equipment.

No other information is reported to or used by the CODM in order to assess performance and allocate resources.

Segment liabilities that are reviewed by the CODM include interest-bearing liabilities.

Revenue from transactions is with the Company's single customer Jamaica Public Service (JPS). There is a contractual agreement that there is a forty-five payment period for final settlement of invoices.

Wigton Windfarm Limited

Notes to the Financial Statements

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5. Segment Financial Reporting (Continued)

	2021			
	Phase I \$'000	Phase II \$'000	Phase III \$'000	Total \$'000
Gross external revenues	802,009	795,797	994,248	2,592,054
Other income	20,174	-	1,481	21,655
Allocated other income	64,771	56,323	75,097	196,191
Total revenue	886,954	852,120	1,070,826	2,809,900
Segment Results	563,649	411,557	554,889	1,530,095
Interest expense				(503,089)
Profit before tax				1,027,006
Taxation				(234,305)
Net profit				792,701
Segment Assets	561,123	2,447,095	4,105,624	7,113,842
Unallocated Assets				3,684,169
Total assets				10,798,011
Segment liabilities	31,311	1,981,931	3,749,069	5,762,311
Unallocated liabilities				816,727
Total liabilities				6,579,038
Other segment items-				
Capital expenditure	52,521	45,670	60,893	159,084
Depreciation	124,410	249,085	306,006	679,501

Wigton Windfarm Limited

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5. Segment Financial Reporting (Continued)

	2020			
	Phase I \$'000	Phase II \$'000	Phase III \$'000	Total \$'000
Gross external revenues	718,185	757,827	940,741	2,416,753
Other income	20,175	-	2,190	22,365
Allocated other income	65,541	56,993	75,990	198,524
Total revenue	803,901	814,820	1,018,921	2,637,642
Segment Results	479,395	394,852	520,966	1,395,213
Interest expense				(526,643)
Profit before tax				868,570
Taxation				(205,822)
Net profit				662,748
Segment Assets	642,384	2,546,917	4,272,700	7,462,001
Unallocated Assets				3,135,934
Total assets				10,597,935
Segment liabilities				
Unallocated liabilities	34,479	2,684,805	3,745,107	6,464,391
Total liabilities				676,449
				7,140,840
Other segment items-				
Capital expenditure	35,738	31,077	41,436	108,251
Depreciation	121,638	246,539	301,758	699,755

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

The primary customer of the Company is Jamaica Public Service (JPS) which operates in Jamaica.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Financial Reporting (Continued)

	2021 \$'000	2020 \$'000
Reconciliation of unallocated amounts:		
Unallocated assets		
Property plant and equipment	160,382	137,624
Inventories	8,033	6,930
Accounts receivable	223,160	289,392
Taxation recoverable	51,167	22,244
Cash and cash equivalents	<u>3,241,427</u>	<u>2,679,744</u>
Total unallocated assets	<u>3,684,169</u>	<u>3,135,934</u>
Unallocated liabilities		
Due to former parent company	-	19,459
Accounts payable	79,743	82,105
Post-employment benefit obligation	33,158	25,357
Pension plan liability	818	5,279
Capital grant	62,743	82,917
Deferred tax liabilities	<u>640,265</u>	<u>461,332</u>
Total unallocated liabilities	<u>816,727</u>	<u>676,449</u>

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6. Other Income

	2021 \$'000	2020 \$'000
Grant amortisation (Note 20)	20,174	20,173
Interest income	91,173	52,660
Refund of input tax	-	51,359
Insurance claims settlement	-	28,396
Reversal of carbon credit	-	29,363
Reversal of management fees	23,300	-
Miscellaneous	1,839	4,277
Foreign exchange gain	<u>81,360</u>	<u>34,661</u>
	<u>217,846</u>	<u>220,889</u>

7. Expenses by Nature

	2021 \$'000	2020 \$'000
Auditors' remuneration	2,400	2,400
Depreciation (Note 11)	679,501	669,755
Directors' emoluments –		
Fees	10,788	5,065
Insurance	151,590	91,227
Other expense	78,567	62,132
Professional fees	13,031	12,100
Rental and utility charges	12,508	12,529
Repairs and maintenance	101,087	84,848
Staff costs (Note 8)	158,902	240,353
Security costs	11,341	11,442
Amortisation of right-of -use assets (Note 22)	15,096	11,004
Electricity	<u>44,994</u>	<u>39,574</u>
	<u>1,279,805</u>	<u>1,242,429</u>

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8. Staff Costs

	2021 \$'000	2020 \$'000
Salaries and wages	138,702	129,525
Payroll taxes – Employer's Contribution	10,079	9,524
Pension and other post-employment benefits (Note 13)	8,570	88,984
Other	1,551	12,320
	<u>158,902</u>	<u>240,353</u>

The average number of employees in 2021 was 27 (2020 – 22).

9. Finance Expense

	2021 \$'000	2020 \$'000
Amortisation of upfront fees on loan	19,255	19,255
Interest charge on lease liability (Note 22)	4,568	13,361
Interest expense – loans	479,266	494,027
	<u>503,089</u>	<u>526,643</u>

Wigton Windfarm Limited

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10. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes and comprises income tax at 25%. Note 25 details the impact of restatements on taxation.

	2021 \$'000	2020 \$'000
Current tax	67,703	59,699
Prior year over accrual of taxes	(13,439)	(42)
Deferred taxation (Note 14)	180,041	146,165
	<u>234,305</u>	<u>205,822</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic statutory tax rate of the 25% as follows:

	2021 \$'000	2020 \$'000
Profit before tax	1,027,006	868,570
Tax calculated at a tax rate of 25%	256,752	217,143
Adjusted for the effects of:		
Income not subject to tax	(5,043)	(12,567)
Expenses not deductible for tax purposes	12,162	12,613
Employment tax credit (ETC)	(16,754)	(12,224)
Prior year over-accrual of taxes	(13,439)	(42)
Net effects of other charges and allowances	627	899
Tax charge	<u>234,305</u>	<u>205,822</u>

Subject to agreement with the Taxpayer Audit and Assessment Department, the Company has tax losses of \$72,897,000 (2020 - \$409,604,000) to carry forward indefinitely against future taxable income.

An ETC is available to unregulated entities. These entities are now able to claim a credit of up to a maximum of 30% of the tax liability resulting from trading income, if statutory deductions (employee and employer) are paid in full by the due date. This has the potential to reduce the effective tax rate. The ETC is not available to carry forward. There are some provisions for the credit to be restricted based on dividend payments and/or other distributions. The Company has recognised an employment tax credit in the amount of \$16,754,000 (2020 - \$12,224,000).

Tax (credit)/charge relating to components of other comprehensive income is as follows:

	2021			2020		
	Before Tax \$'000	Tax Effect \$'000	After Tax \$'000	Before Tax \$'000	Tax Effect \$'000	After Tax \$'000
Remeasurements of pension and other post-employment benefits (Note 13)	4,431	(1,108)	3,323	(1,696)	424	(1,272)

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11. Property, Plant and Equipment

	Plant \$'000	Computer \$'000	Service Equipment \$'000	Furniture, Fixtures & Equipment \$'000	Training Lab \$'000	Motor Vehicles \$'000	Total \$'000
At Cost or Valuation -							
At 31 March 2019	11,231,500	82,398	568,919	76,422	99,438	47,778	12,106,455
Additions	65	10,242	95,023	2,327	594	-	108,251
Transfers	(241)	-	-	(34)	-	(8,950)	(9,225)
At 31 March 2020	11,231,324	92,640	663,942	78,715	100,032	38,828	12,205,481
Additions	-	8,539	109,949	21,452	-	19,144	159,084
Write off	-	-	(779)	-	-	-	(779)
At 31 March 2021	11,231,324	101,179	773,112	100,167	100,032	57,972	12,363,786
Depreciation -							
At 31 March 2019	3,742,048	63,184	215,743	39,887	12,565	35,939	4,109,366
Charge (Note 7)	562,245	8,559	79,377	8,960	4,987	5,627	669,755
Relieved on disposals	-	-	-	(28)	-	(8,205)	(8,233)
At 31 March 2020	4,304,293	71,743	295,120	48,819	17,552	33,361	4,770,888
Charge (Note 7)	561,162	7,468	91,546	8,993	5,427	4,905	679,501
At 31 March 2021	4,865,455	79,211	386,666	57,812	22,979	38,266	5,450,389
Net Book Value -							
31 March 2021	6,365,869	21,968	386,446	42,355	77,053	19,706	6,913,397
31 March 2020	6,927,031	20,897	368,822	29,896	82,480	5,467	7,434,593

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12. Earnings per Stock Unit

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	2021 \$'000	2020 \$'000
Net profit attributable to shareholders	792,701	662,748
Weighted average number of ordinary shares in issue ('000)	11,000,000	11,000,000
Basic earnings per share	\$0.07	\$0.06

On 3 April 2019, at an extraordinary annual general meeting, the shareholders approved the stock split of each ordinary share resulting in an adjustment from 10,000 to 11,000,000,000 shares.

On the 22 May 2019, the company became a listed entity of the Jamaica Stock Exchange (JSE) on the main market, all ordinary shares were authorised for issue with no par value. There were no new shares issued.

13. Pension and Other Post-Employment Benefits

	2021 \$'000	2020 \$'000
Liability recognised in the statement of financial position:		
Pension plan liability	818	5,279
Post-employment benefit obligation	33,158	25,357
Amounts recognised in profit or loss:		
Pension plan asset	3,476	83,825
Post-employment benefit obligation	5,094	5,159
Total, included in staff costs (Note 8)	8,570	88,984
Amounts recognised in other comprehensive income:		
Pension plan asset	1,458	4,827
Post-employment benefit obligation	2,973	(6,523)
	4,431	(1,696)

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13. Pension and Other Post-Employment Benefits (Continued)

Pension benefits

The Wigton Windfarm Limited pension scheme is open to all permanent employees and is administered by trustees. The pension scheme is funded by contributions from employees at a fixed rate, with the employer contributing such funds as are necessary to meet the balance of the liabilities of the plan. The plan is valued annually by an independent actuary. Pension benefits are based on salary at the date of retirement.

(a) The amounts recognised in the statement of financial position are determined as follows:

	2021 \$'000	2020 \$'000
Present value of funded obligations	110,237	8,881
Fair value of plan assets	(109,419)	(3,602)
Liability in the statement of financial position	<u>818</u>	<u>5,279</u>

The movement in the fair value of plan assets during the year was as follows:

	2021 \$'000	2020 \$'000
At beginning of year	3,602	173,198
Past service contribution	89,100	-
Remeasurement of plan assets – experience gains	65	5,104
Assets used to settle liabilities	-	(180,995)
Interest income on plan assets	3,505	2,071
Benefits paid	-	(40)
Contributions	13,147	4,264
At end of year	<u>109,419</u>	<u>3,602</u>

The movement in the present value of the defined benefit obligation during the year was as follows:

	2021 \$'000	2020 \$'000
At beginning of year	8,881	90,496
Current service cost	6,404	7,138
Past service contribution	89,100	-
Interest cost	577	1,026
Liabilities settled	-	(103,263)
	<u>104,962</u>	<u>(4,603)</u>
Remeasurements -		
Losses from change in financial assumptions	(7,433)	-
Experience losses	8,956	9,931
	<u>1,523</u>	<u>9,931</u>
Employee contribution	3,752	3,593
Benefits paid	-	(40)
At end of year	<u>110,237</u>	<u>8,881</u>

Wigton Windfarm Limited

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13. Pension and Other Post-Employment Benefits (Continued)

Pension benefits (continued)

The amounts recognised in arriving at profit or loss were determined as follows:

	2021 \$'000	2020 \$'000
Current service costs	6,404	7,138
Interest cost on defined benefit obligation	577	1,026
Interest income on plan assets	(3,505)	(2,071)
Settlement cost	-	77,732
Total, included in staff costs (Note 8)	<u>3,476</u>	<u>83,825</u>

The amounts recognised in other comprehensive income were determined as follows:

	2021 \$'000	2020 \$'000
Remeasurements of the plan assets	1,458	4,827
Remeasurements of the defined benefit obligation	2,973	(6,523)
	<u>4,431</u>	<u>(1,696)</u>

Expected employer contributions for the year ending 31 March 2022 amount to \$11,892,000 (2020: \$711,000).

The distribution of plan assets was as follows:

	2021		2020	
	\$'000	%	\$'000	%
Equity Fund	27,000	25	-	-
Fixed Income Fund	26,756	24	-	-
Foreign Currency Fund	27,995	26	-	-
CPI Index Fund	26,389	24	-	-
Other	1,279	1	3,602	100
	<u>109,419</u>	<u>100</u>	<u>3,602</u>	<u>100</u>

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13. Pension and Other Post-Employment Benefits (Continued)

Other post-employment benefits

The Company operates a medical post-employment benefit scheme. Funds are not built up to cover the obligations under this retirement benefit scheme. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes.

The amounts recognised in the statement of financial position were determined as follows:

	2021 \$'000	2020 \$'000
Present value of unfunded obligations	33,158	25,357

The movement in the defined benefit obligation over the year is as follows:

	2021 \$'000	2020 \$'000
At beginning of year	25,357	26,925
Current service cost	3,270	3,281
Interest cost	1,824	1,878
	30,451	32,084
Remeasurement -		
Experience losses	2,973	(6,523)
Benefits paid	(266)	(204)
At end of year	33,158	25,357

The amounts recognised in arriving at profit or loss were determined as follows:

	2021 \$'000	2020 \$'000
Current service cost	3,270	3,281
Interest cost	1,824	1,878
Total, included in staff costs (Note 8)	5,094	5,159

The amounts recognised in other comprehensive income were determined as follows:

	2021 \$'000	2020 \$'000
Remeasurement of defined benefit obligation	2,973	(6,523)

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13. Pension and Other Post-Employment Benefits (Continued)

Other post-employment benefits (continued)

Principal actuarial assumptions

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	8.5%	6.50%
Future salary increases	6.5%	5.00%
Future pension increases	0.0%	0.00%
Inflation rate	5.5%	3.00%
Medical cost rate	7.0%	5.50%

The sensitivity of the defined benefit obligation for pension benefits to changes in the principal assumptions is:

	2021		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000
Discount rate	1%	(4,448)	6,108
Future salary increase	1%	3,729	-
Future pension increase	1%	1,986	(3,064)
		2020	
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000
Discount rate	1%	(2,031)	2,844
Future salary increase	1%	1,663	(1,358)
Future pension increase	1%	995	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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13. Pension and Other Post-Employment Benefits (Continued)

Other post-employment benefits (continued)

The sensitivity of other post-employment benefits to changes in the principal assumptions is:

	2021		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000
Discount rate	1%	(7,117)	9,861
Medical cost rate	1%	9,915	(7,260)
	2020		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		\$'000	\$'000
Discount rate	1%	(5,677)	7,963
Medical cost rate	1%	7,963	(5,769)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liability recognized within the statement of financial position.

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13. Pension and Other Post-Employment Benefits (Continued)

Risks associated with pension and other post-employment benefit plans

Through its defined benefit pension plan and other post-employment benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

The Company believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Company's long-term strategy to manage the plans efficiently. See below for more details on the Company's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' Fixed Income Fund holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are unaffected by fixed interest investments, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2021 were invested in the Fixed Income Fund.

The weighted average duration of the pension defined benefit obligation is 45 years, and the weighted average duration of the medical defined benefit obligation is 41 years.

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14. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%. Note 25 details the impact of restatements on the deferred income taxes.

The movement on the deferred income tax account is as follows:

	2021 \$'000	2020 \$'000
Balance as at 1 April	(461,332)	(315,591)
Charged in arriving at profit or loss (Note 10)	(180,041)	(146,165)
Credited to other comprehensive income (Note 10)	1,108	424
Balance as at 31 March	<u>(640,265)</u>	<u>(461,332)</u>

The movement in deferred tax assets and liabilities during the period is as follows:

Deferred tax liabilities	Pension Plan Asset	Unrealised Foreign Exchange gains	Accelerated Tax Depreciation	Right of Use Asset	Interest Receivable	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2019	(20,676)	-	(886,277)	-	-	(906,953)
Credited/(charged) to profit or loss	23,203	-	(37,379)	(3,812)	(1,934)	(19,922)
Charged to other comprehensive income	(1,207)	-	-	-	-	(1,207)
At 31 March 2020	1,320	-	(923,656)	(3,812)	(1,934)	(928,082)
(Charged)/credited to profit or loss	(1,480)	(1,862)	(38,399)	(33,672)	1,585	(73,828)
Credited to other comprehensive income	365	-	-	-	-	365
At 31 March 2021	<u>205</u>	<u>(1,862)</u>	<u>(962,055)</u>	<u>(37,484)</u>	<u>(349)</u>	<u>(1,001,545)</u>

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14. Deferred Income Taxes (Continued)

Deferred tax assets	Unrealised and Realised FX losses	Interest Payable	Post-Employment Benefit Obligation	Lease liability	Tax Losses	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2019	403,615	5,636	6,731	-	174,324	1,056	591,362
(Charged)/ credited to profit or loss Credited to other comprehensive income	(51,881)	(557)	(2,023)	-	(71,923)	141	(126,243)
At 31 March 2020	351,734	5,079	6,339	-	102,401	1,197	466,750
(Charged)/ credited to profit or loss Credited to other comprehensive income	(63,893)	111	1,207	40,578	(84,177)	(39)	(106,213)
At 31 March 2021	<u>287,841</u>	<u>5,190</u>	<u>8,289</u>	<u>40,578</u>	<u>18,224</u>	<u>1,158</u>	<u>361,280</u>

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14. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2021	2020
	\$'000	\$'000
Deferred tax assets	361,280	466,750
Deferred tax liabilities	(1,001,545)	(928,082)
	<u>(640,265)</u>	<u>(461,332)</u>
	2021	2020
	\$'000	\$'000
Deferred tax assets to be recovered after more than 12 months	354,932	452,083
Deferred tax liabilities to be settled after more than 12 months	(999,334)	(926,148)

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15. Accounts Receivable

	2021	2020
	\$'000	\$'000
Trade	210,891	183,380
Prepayments	186,969	36,352
Taxation recoverable - General Consumption Tax	31,667	57,430
Other	4,524	12,230
	<u>434,051</u>	<u>289,392</u>

16. Related Party Transactions and Balances

As at 31 March 2021, the amount payable to the former parent company, Petroleum Corporation of Jamaica (PCJ) was nil (2019- \$19,459,000).

(a) Key management personnel compensation

The remuneration of members of key management during the year was as follows:

	2021	2020
	\$'000	\$'000
Wages and salaries	25,641	21,714
Pension benefits	2,975	217
Payroll taxes – Employer's Contribution	1,497	1,253
Other post-employment benefits	1,282	1,355
Other	6,736	5,640
	<u>38,131</u>	<u>30,179</u>

The following have been charged in arriving at profit before income tax:

	2021	2020
	\$'000	\$'000
Directors' emoluments –		
Director Fees	10,788	5,065
Management Remuneration	15,025	15,025

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17. Cash and Cash Equivalent

	2021 \$'000	2020 \$'000
Cash at bank and in hand	5,279	56,459
Short term deposits	1,406,485	726,067
Resale agreements	1,829,663	1,897,218
	<u>3,241,427</u>	<u>2,679,744</u>

The weighted average effective interest rate at the year-end was 2.75% (2020 – 3.11%) on US\$, 3.35% (2020 – 2.58%) on J\$ short term deposits.

18. Accounts Payable

	2021 \$'000	2020 \$'000
Accruals	45,405	24,297
General Consumption Tax	28,038	30,939
Other payables	6,300	26,869
	<u>79,743</u>	<u>82,105</u>

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19. Share Capital

Number of Authorised Shares '000	Number of Issued Shares '000	Stated Capital - Ordinary Shares \$'000	Total \$'000
11,000,000	11,000,000	202,598	202,598

At the beginning and end of the year

On the 22 May 2019, the Company became a listed entity of the Jamaica Stock Exchange (JSE) on the main market, all ordinary shares were authorised for issue with no par value. There were no new shares issued.

20. Capital Grants

This represents grant received from the Dutch Government to assist in the construction of the Wind turbines and will be amortised over the useful lives of the assets.

	2021 \$'000	2020 \$'000
Cost of grant	403,495	403,495
Less: Accumulated amortisation	(340,752)	(320,578)
Closing balance	<u>62,743</u>	<u>82,917</u>
	2021 \$'000	2020 \$'000
Opening balance	82,917	103,090
Less: Amortisation (Note 6)	(20,174)	(20,173)
Closing balance	<u>62,743</u>	<u>82,917</u>

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21. Long Term Liabilities

	2021 \$'000	2020 \$'000
(i) Senior Secured Bonds:		
Series A	-	710,000
Series B	1,953,000	1,953,000
Series C	1,674,587	1,674,587
Series D	2,011,000	2,011,000
Unamortised upfront fees on loan	<u>(59,346)</u>	<u>(78,601)</u>
	5,579,241	6,269,986
Interest Payable	<u>20,760</u>	<u>20,258</u>
	5,600,001	6,290,244
Less: Current portion	<u>(20,760)</u>	<u>(730,258)</u>
	<u>5,579,241</u>	<u>5,559,986</u>

(ii) This represents capital raised by the Company by way of a placement of a series of JMD denominated senior secured bonds (Bond A-D).

Series A - This bond has a coupon rate of 6.65% with coupon payment frequency on a quarterly basis. This bond was repaid on December 9, 2020.

Series B - This bond has a coupon rate of 7.40% with coupon payment frequency on a quarterly basis. Principal is payable in full at maturity. The maturity date of the bond is 14 December 2023.

Series C - This bond has a coupon rate of 7.90% with coupon payment frequency on a quarterly basis. Principal is payable in full at maturity. The maturity date of the bond is 14 December 2025.

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21. Long Term Liabilities (Continued)

Senior Secured Bonds (continued)

Series D - This bond has a coupon rate of 8.40% with coupon payment frequency on a quarterly basis. Principal is payable in full at maturity. The maturity date of the bond is 14 December 2028.

The bonds are secured by a debenture setting out a floating charge, over all fixed and floating assets of the Company.

The exposure of the Company's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	2021 \$'000	2020 \$'000
0-12 months	20,760	730,258
1-5 years	5,579,241	5,559,986
	<u>5,600,001</u>	<u>6,290,244</u>

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Long term liabilities	<u>5,579,241</u>	<u>5,559,986</u>	<u>5,050,676</u>	<u>5,068,699</u>

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	1 April 2020 \$'000	Repayment of principal \$'000	Other movement \$'000	31 March 2021 \$'000
Senior Secured Bonds (A - D)	6,290,244	(710,000)	19,757	5,600,001
	<u>6,290,244</u>	<u>(710,000)</u>	<u>19,757</u>	<u>5,600,001</u>

Other movement represents movement on interest payable and amortisation of loan fees during the period.

Wigton Windfarm Limited

Notes to the Financial Statements

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21. Long Term Liabilities (Continued)

Reconciliation of liabilities arising from financing activities(continues)

	1 April 2020	Financing cash flows	31 March 2020
	\$'000	\$'000	\$'000
Senior Secured Bonds (A – D)	6,273,277	16,967	6,290,244
	<u>6,273,277</u>	<u>16,967</u>	<u>6,290,244</u>

Financing cash flow represents movement on interest payable and amortisation of loan fees during the period.

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22. Leases

(i) Amount recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2021 \$'000	2020 \$'000
Right -of-use assets		
Land	149,936	165,032
	<u>149,936</u>	<u>165,032</u>
Lease Liabilities		
Current	16,405	15,248
Non-Current	145,905	158,899
	<u>162,310</u>	<u>174,147</u>

(ii) Amounts recognised in the statement of profit and loss. The statement of profit or loss shows the following amounts relating to leases:

	2021 \$'000	2020 \$'000
Amortisation charge of right -of-use assets (Note 7)	15,096	11,004
Interest expense (Note 9)	4,568	13,361

The total cash outflow for leases in 2021 was \$16,405,000 (2020- \$15,248,000).

The Company leases land. These lease contracts are typically made for fixed periods of 20 years.

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22. Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments),
- variable lease payment that are based on a rate, initially measured using the rate as at the commencement date
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the Company's incremental borrowing rate is used, being the rate that the individual Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases
- makes adjustments specific to the lease, for example term, country, currency and security.

The weighted average Company's incremental borrowing rate applied to the lease liabilities as at 31 March 2021 was 7.9% (2020- 7.9%)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated/amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

23. Dividends

	2021
	\$'000
Dividend	<u>27,500</u>

A dividend of \$0.0025 per stock unit was declared on 2 June 2020 and paid on 13 August 2020. There were no dividends declared subsequent to the year end.

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24. Impact of COVID 19

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. In response to this, the Company has implemented several health and safety protocols to protect its employees and stakeholders. COVID-19 has also impacted the lead times for the delivery of spare parts necessary for the scheduled maintenance and repairs of the company's plants. The delays currently being experienced could have negative medium-term effects, due to the inability to carry out preventative maintenance to eliminate component failures and further cascading consequences.

Management continues to closely monitor the situation and adhere to the various government protocols and advice




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