



Wigton Windfarm Limited
Unaudited Financial Statements
Period Ended 30 September 2019

Wigton Windfarm Limited
Statement of Comprehensive Income
For the six months ended 30 September 2019

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Wigton Windfarm Limited
Statement of Comprehensive Income
For the six months ended 30 September 2019

The Directors are pleased to present the unaudited financial results of Wigton Windfarm Limited (WWFL) for the second quarter ended September 30, 2019, (the financial year, April 1, 2019 to March 31, 2020) which have been prepared in accordance with International Financial Reporting Standards (IFRS).

SECOND QUARTER FINANCIAL HIGHLIGHTS

Description	Second Quarter July to September 2019	Second Quarter July to September 2018	Change (%)
	kWh	kWh	
Production	40,697,054	45,549,054	(10.7)
Availability	92%	85%	8.2
	\$	\$	
Total Revenue	682,527,526	820,585,849	(16.8)
Total Expenses	452,135,987	660,863,169	31.6
Net Profit After Tax	175,097,569	121,389,236	44.2
Earnings Per Share*	0.016	12,138.92	

* September 30, 2019 number of issued shares – 11,000,000,000 (September 30, 2018 – 10,000)

SECOND QUARTER FINANCIAL PERFORMANCE

For the quarter ended September 30, 2019, WWFL recorded the following:

- Net Profit after taxation of \$175.1 million, a \$53.7 million or 44.2% increase over the same period last year (SPLY),
- Earnings per share of \$0.016; a decrease from \$12,138.92 in the corresponding period in 2018 as a result of the issue of 10,999,990,000 additional shares on May 22, 2019.

Revenues

For the quarter ended September 30, 2019, WWFL recorded total revenue of \$682.5 million; a decrease of \$138.1 million or 16.8% over the \$820.6 million achieved in the corresponding period ended September 30, 2018. The decrease in revenue was directly related to a 10.7% decrease in production in the current reporting quarter as a result of lower wind regime. Availability of the wind turbines was 8.2% better than the SPLY. Major repairs and maintenance were conducted during this quarter to capitalise on the low wind regime during the quarter.

WWFL's contracts with Jamaica Public Service Co. Ltd. for delivery of power are indexed to the United States dollar.

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Expenses

WWFL recorded total expenses of \$452.1 million, a decrease of \$208.7 million or 31.6% over the \$660.9 million in the SPLY. The main contributor to the decrease was a reduction in finance expense of \$240.5 million or 60.9% as a result of lower foreign exchange losses. On December 14, 2018, WWFL refinanced its United States Dollar Loans totalling US\$49.2 million. The loans were refinanced through private placement of Bonds that raised J\$6,348,586,690.00 to repay the loans to the Petrocaribe Development Fund (PDF) of US\$49.2 million. The refinancing of the loan with the PDF was on the premise that the PDF was statutorily empowered to grant loans to public bodies that are self-financing and to the Ministry of Finance to finance Government projects that have the potential to generate savings or expand revenue flows to the Government. This meant that with the Offer for Sale of the Company by the Government, Wigton ceased to be a public body and would not qualify to hold loans from Petrocaribe Fund. The refinancing of the loans is beneficial to WWFL as the fluctuations of the Jamaican Dollar to the United States Dollar no longer negatively impacts the Company's accounts as the foreign currency risk has been effectively mitigated.

WWFL's weighted average interest cost on the J\$ Bonds totalling \$6.3 billion which range in maturity between December 2020 and December 2028 is 7.8%. (See Note 6)

Net Profit

Net profit after taxation was \$175.1 million or \$53.7 million (44.2%) higher than the \$121.4 million for the SPLY. This was due to a \$208.7 million decrease in total expenses, explained above, which offset a \$138.1 million decline in revenues and an increase of \$16.9 million in taxation.

Financial Position

WWFL's total assets as at September 30, 2019 was \$10.0 billion, an increase of \$1.3 billion or 14.9%, when compared to total assets as at September 30, 2018 of \$8.7 billion. The main contributor to the increased value of the balance sheet was an increase of \$1.2 billion in cash resources.

WWFL's equity, for the quarter ended September 30, 2019, of \$3.4 billion reflects an increase of \$0.8 billion or 30.8% over the SPLY of \$2.6 billion. WWFL closed the financial year ended March 31, 2019 with shareholders' equity of \$2.89 billion. Year-to-date, shareholders' equity has grown by \$541.5 million as a result of profitable operations to \$3.4 billion.

Wigton Windfarm Limited

Statement of Comprehensive Income

For the six months ended 30 September 2019

OUTLOOK: 2020 AND BEYOND

WWFL's focus for 2020 and beyond will be to continue to operate the existing business for maximum profitability and on-going strengthening of the Company's balance sheet; position the Company to expand its revenue base beyond wind energy and a single customer; be fully engaged to be successful in responding to calls for more energy to the grid; explore and engage in mutually rewarding joint venture projects in Jamaica and the region. These initiatives have commenced and will be appropriately resourced to maximize positive outcomes.

The above strategies will be underpinned by WWFL's core values and principles of maintaining the Company's excellent safety record, achieving $\geq 90\%$ wind turbine availability, training of staff in all the facets of renewable energy, prudent management of expenses and maintaining good corporate social responsibility.

Wigton Windfarm Limited

Statement of Comprehensive Income

For the six months ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Quarter Ended 30 September 2019 \$'000	Unaudited Quarter Ended 30 September 2018 \$'000	Unaudited Six months Ended 30 September 2019 \$'000	Unaudited Six months Ended 30 September 2018 \$'000
Sales	632,341	705,641	1,465,161	1,488,533
Cost of sales	(195,819)	(180,815)	(387,815)	(357,633)
Gross Profit	436,522	524,826	1,077,346	1,130,900
Other income	50,186	114,944	118,215	174,447
General administrative expenses	(102,030)	(85,282)	(181,342)	(163,240)
Operating Profit	384,678	554,488	1,014,219	1,142,107
Finance expense	(154,286)	(394,765)	(301,719)	(752,558)
Profit before Taxation	230,392	159,723	712,500	389,549
Taxation	(55,294)	(38,333)	(171,000)	(93,491)
Net Profit	175,098	121,390	541,500	296,058
Earning per shares/ stock unit for profit attributable to the equity holders of the Company during the period	4 \$0.016	\$12,139	\$0.049	\$29,605.80
Units of shares	11,000,000,000	10,000	11,000,000,000	10,000

Wigton Windfarm Limited


Statement of Financial Position

As at 30 September 2019 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	Note	September 2019 \$'000 Unaudited	September 2018 \$'000 Unaudited	March 2019 \$'000 Audited
Non-Current Assets				
Property, plant and equipment		7,725,654	8,157,299	7,997,089
Pension plan asset		82,702	67,499	82,702
		<u>7,808,356</u>	<u>8,224,798</u>	<u>8,079,791</u>
Current Assets				
Accounts receivable		123,278	349,484	134,815
Taxation recoverable		52,439	62,619	61,545
Cash and deposits	5	2,347,153	1,185,981	1,376,599
		<u>2,522,870</u>	<u>1,598,084</u>	<u>1,572,959</u>
Current Liabilities				
Due to parent Company		-	-	19,459
Accounts payable		123,426	158,211	119,498
Taxation payable		156,604	93,491	-
Current portion of long-term liabilities		18,907	828,298	22,546
		<u>298,937</u>	<u>1,080,000</u>	<u>161,503</u>
Net Current Assets		<u>2,223,933</u>	<u>518,084</u>	<u>1,411,456</u>
		<u>10,032,289</u>	<u>8,742,882</u>	<u>9,491,247</u>
Equity				
Share capital		202,598	202,598	202,598
Retained earnings		3,232,910	2,414,030	2,691,410
		<u>3,435,508</u>	<u>2,616,628</u>	<u>2,894,008</u>
Non-Current Liabilities				
Capital grants		93,005	116,542	103,090
Long term liabilities	6	6,260,358	5,937,988	6,250,731
Post-employment benefit obligation		26,925	30,164	26,925
Deferred tax liabilities		216,493	41,560	216,493
		<u>10,032,289</u>	<u>8,742,882</u>	<u>9,491,247</u>

Approved for issue by the Board of Directors on October 28, 2019 and signed on its behalf:



Oliver W. Holmes Chairman



Jacqueline Stewart Lechler Director

Wigton Windfarm Limited

Statement of Changes in Equity

For the six months ended 30 September 2019 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2018	10	202,598	2,117,972	2,320,570
Net profit			296,058	296,058
Balance at 30 September 2018	10	202,598	2,414,030	2,616,628

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2019	10	202,598	2,691,410	2,894,008
Net profit	-	-	541,500	541,500
Increase in shares from a share split				
Additional shares	10,999,990	-	-	-
Balance at 30 September 2019	11,000,000	202,598	3,232,910	3,435,508

Wigton Windfarm Limited

Statement of Cash Flows

For the six months ended 30 September 2019 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	6 Months Ended 30 September 2019 \$'000	6 Months Ended 30 September 2018 \$'000
SOURCES OF CASH:		
Operating Activities		
Net profit	541,500	296,058
Items not affecting cash:		
Depreciation	333,908	306,753
Interest income	(23,005)	(7,692)
Interest expense	257,146	741,712
Taxation	171,000	187,308
Amortisation of grant	(10,087)	(10,087)
Exchange (gain)/loss on foreign balances	(40,551)	432,499
	<u>1,229,911</u>	<u>1,946,551</u>
Change in operating assets and liabilities:		
Accounts receivable	226,206	72,501
Accounts payable	(34,785)	75,007
Cash provided by/(used in) operating activities	<u>1,421,332</u>	<u>2,094,059</u>
Financing Activities		
Loans repaid	-	(391,726)
Interest paid	(253,732)	(680,868)
Cash used in financing activities	<u>(253,732)</u>	<u>(1,072,594)</u>
Investing Activities		
Purchase of property, plant and equipment	(63,225)	(101,043)
Interest received	23,005	7,692
Cash used in investing activities	<u>(40,220)</u>	<u>(93,351)</u>
(Decrease)/increase in cash and cash equivalents	1,127,380	928,114
Exchange gains on cash and cash equivalents	33,792	(432,500)
Cash and cash equivalents at beginning of year	1,185,981	690,367
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5 <u>2,347,153</u>	<u>1,185,981</u>

Wigton Windfarm Limited

Notes to the Financial Statements

Six months ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Wigton Windfarm Limited (the Company) is incorporated in and domiciled in Jamaica. The Company was incorporated on April 12, 2000. The principal activities of the Company are the generation and sale of electricity from wind technology. The registered office of the Company is located at 36 Trafalgar Road, Kingston 10.

Effective May 22, 2019, the Company's shares were listed on the Jamaica Stock Exchange.

2. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements are expressed in Jamaican dollars unless otherwise indicated.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain financial assets.

3. Segmenting 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. Wigton Windfarm Limited is organised and managed in three main reportable segments based on the respective windfarms.

The designated segments are as follows:

- Phase I
- Phase II
- 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 Co. Ltd. (JPS).

Wigton Windfarm Limited

Notes to the Financial Statements

Six months ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

4. Earnings per share

Earnings per share is calculated on net profit and is based on the weighted average number of ordinary shares in issue during the periods.

	Quarter Ended 30 September 2019 \$'000	Quarter Ended 30 September 2018 \$'000
Net profit attributable to ordinary shareholders	<u>175,098</u>	<u>121,390</u>
Weighted average number of ordinary shares in issue	<u>11,000,000,000</u>	<u>10,000</u>
Basic earnings per share	<u>\$0.016</u>	<u>\$12,139</u>

5. Cash and Deposits

Cash and deposits 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 with banks and investments in money market instruments with original maturities of 90 days or less.

	Quarter Ended 30 September 2019 \$'000	Quarter Ended 30 September 2018 \$'000
Cash at bank and in hand	32,575	15,824
Deposits	590,076	186,353
Investments	<u>1,724,502</u>	<u>983,804</u>
	<u>2,347,153</u>	<u>1,185,981</u>

Wigton Windfarm Limited

Notes to the Financial Statements

Six months ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

6. Long Term Liabilities

	Quarter Ended 30 September 2019 \$'000	Quarter Ended 30 September 2018 \$'000
(i) PetroCaribe Development Fund	-	6,766,285
(ii) Senior Secured Bonds:		
Series A – Due December 14, 2019	710,000	-
Series B – Due December 14, 2023	1,953,000	-
Series C – Due December 14, 2025	1,674,587	-
Series D – Due December 14, 2028	2,011,000	-
Unamortised upfront fees on loan	(88,229)	-
	<u>6,260,358</u>	<u>6,766,285</u>
Interest payable	18,907	-
	<u>6,279,265</u>	<u>6,766,285</u>
Less: Current portion	(18,907)	(828,298)
	<u><u>6,260,358</u></u>	<u><u>5,937,987</u></u>

- (i) This represents two loans from The PetroCaribe Development Fund (PDF), one of which was granted to provide funding for the wind farm expansion by 18 Megawatts (MW), Wigton Phase II and the second loan was granted to provide funding for the wind farm expansion by 24MW, Wigton Phase III. Interest rate on these loans were 6% and 4%, respectively. Repayments were made monthly.
- (ii) In December 2018, the Company launched a private placement of Bonds to raise J\$6,348,586,690 to repay the PDF. The placement was successful and the funds raised were converted to United States dollars through a Bank of Jamaica facility and applied to repay in full the loans totalling US\$49.2 million owing to the PetroCaribe Development Fund. The PetroCaribe Fund is statutorily empowered to grant loans to public bodies that are self-financing and to the Ministry of Finance to finance Government projects that have the potential to generate savings or expand revenue flows to the Government. This meant that with the Offer for Sale of the Company, it would cease to be public body and would not qualify to hold loans from PetroCaribe Fund.

Shareholdings of Top Ten (10) Stockholders, Shareholding of Directors and Senior Executives as at 30 September 2019

10 Largest Shareholders of Wigton Windfarm Limited as at September 30, 2019

	Name of shareholder	Joint Holder(s)	Units	Percentage
1	Victoria Mutual Building Society	Nil	976,294,901	8.8754%
2	National Insurance Fund	Nil	706,797,283	6.4254%
3	ATL Group Pension Fund Trustees NOM Ltd	Nil	370,514,485	3.3683%
4	Mayberry Jamaican Equities Limited	Nil	304,064,625	2.7642%
5	Geoffrey Forde	Nil	130,130,000	1.1830%
6	Pan Caribbean Fin. Services A/C#1388842	Nil	123,286,240	1.1208%
7	JCSD Trustees Services Ltd - SIGMA Equity	Nil	108,152,525	0.9832%
8	MF&G Trust & Finance Ltd - A/C 58	Nil	82,450,000	0.7495%
9	Prime Asset Management JPS Employees Superannuation Fund	Nil	68,730,000	0.6248%
10	Sagicor Equity Fund	Nil	67,302,470	0.6118%

Shareholdings of Directors as at September 30, 2019

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver W. Holmes	-	1,000,000	1,000,000
Nigel Day	-	-	-
Jacqueline Stewart Lechler	8,730,000	8,730,000	17,460,000
M Georgia Gibson Henlin	-	-	-
Gregory B. Shirley	2,000,000	-	2,000,000
Hugh Johnson	-	-	-

Shareholdings of Senior Executives as at September 30, 2019

Shareholdings of Senior Executives	Direct	Connected Parties	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