



**Wigton Windfarm Limited**

**Financial Statements  
31 March 2022**

# Wigton Windfarm Limited

Index

31 March 2022

---

**Page**

**Independent Auditor's Report to the Members**

**Financial Statements**

Consolidated statement of comprehensive income	1
Consolidated statement of financial position	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Company statement of total comprehensive income	5
Company statement of financial position	6
Company statement of changes in equity	7
Company statement of cash flows	8
Notes to the financial statements	9 – 56



## Independent auditor's report

To the Shareholders of Wigton Windfarm Limited

### Report on the audit of the consolidated and stand-alone financial statements

---

#### Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Wigton Windfarm Limited (the Company) and its affiliate (together 'the Group') and the stand-alone financial position of the Company as at 31 March 2022, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone 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 Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 March 2022;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the consolidated and stand-alone 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 consolidated and stand-alone 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 Group 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 consolidated and stand-alone 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.

### **How we tailored our group audit scope**

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

The Group is comprised of the parent company, Wigton Windfarm Limited, and an associate, Flash Holdings Limited and its subsidiary, that are incorporated in Jamaica and St. Lucia, respectively. A full scope audit was performed for the parent company as it was determined to be the only individually financially significant entity.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

#### How our audit addressed the key audit matter

##### ***Impairment of investment in associate (Group and Company)***

*Refer to notes 2b, 4c, and 12 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.*

On 8 March 2022, the Company acquired 21% of Flash Holdings Limited (Flash) and its subsidiary for a total consideration of \$137.53 million. As a result of the total shareholding and certain changes to the composition of Flash's board, management concluded that it has significant influence over Flash, and consequently, that Flash is an associate of the Company and Group.

With the assistance of our valuation expert, our approach to addressing the matter involved the following procedures, amongst others:

- Assessed the competence and capability of management's valuation expert.  
Obtained an understanding of the process used by management to determine the value in use of the investment in associate.



### Key audit matter

The investment in associate accounts for \$137.49 million or 1.25% of total assets of the Group and \$137.53 million or 1.25% of total assets of the Company as at 31 March 2022.

Management considered impairment indicators, such as the fact that the carrying value of the investment in Flash exceeds the Group's share of the net assets of Flash, and accordingly performed an impairment analysis over the investment in associate balance at the statement of financial position date. The Group was assisted by external valuation experts in this process and utilised a discounted cash flow (DCF) model to determine the value in use.

We focused on this area due to the magnitude of the balance and because the impairment assessment involves significant judgement and estimation, which is sensitive to changes in key assumptions.

The key assumptions were assessed by management as being:

- Discount rate;
- Terminal value growth rate; and
- Growth in the number of electric vehicle car sales.

### How our audit addressed the key audit matter

- Tested management's DCF model and the valuation assumptions and inputs by:
  - Referencing the 31 March 2022 base year financial information to current year results;
  - Assessing the reasonableness of management's forecasting by comparing the forecasted information to industry and independent economic data;
  - Evaluating the discount rate by recomputing the cost of capital; and
  - Comparing the terminal value growth rate and growth in the number of electric vehicle car sales by reference to externally derived data where available.
- Tested the mathematical accuracy of management's discounted cash flows by reperforming the underlying calculations.

Based on the results of the procedures performed, management's assumptions and judgements relating to the carrying value of the investment in associate, in our view, were not unreasonable.

### Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone 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 consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

---

## Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone 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 Group and 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 Group or 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 consolidated and stand-alone 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 Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and stand-alone 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 consolidated and stand-alone 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.

*PricewaterhouseCoopers*  
Chartered Accountants  
Kingston, Jamaica  
7 July 2022

# Wigton Windfarm Limited

## Consolidated Statement of Comprehensive Income

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Sales		2,049,232	2,592,054
Cost of sales	7	<u>(819,572)</u>	<u>(789,097)</u>
<b>Gross Profit</b>		1,229,660	1,802,957
Other income	6	255,615	217,846
General administrative expenses	7	<u>(607,784)</u>	<u>(490,708)</u>
<b>Operating Profit</b>		877,491	1,530,095
Finance expense, net	9	(335,494)	(503,089)
Share of net loss of associate	12	<u>(40)</u>	<u>-</u>
<b>Profit before Taxation</b>		541,957	1,027,006
Taxation	10	<u>(69,871)</u>	<u>(234,305)</u>
<b>Net Profit</b>		<u>472,086</u>	<u>792,701</u>
<b>Other Comprehensive Income, net of taxes -</b>			
<b>Items that will not be reclassified to profit or loss -</b>			
Changes in the fair value of equity investments at fair value through other comprehensive income	10	(2,332)	-
Remeasurements of pension and other post-employment benefits	10	<u>19,183</u>	<u>(3,323)</u>
<b>Total other comprehensive income, net of taxes</b>		<u>16,851</u>	<u>(3,323)</u>
<b>Total Comprehensive Income</b>		<u>488,937</u>	<u>789,378</u>
Earning per stock unit for profit attributable to the equity holders of the Group during the year	14	<u>\$0.04</u>	<u>\$0.07</u>

# Wigton Windfarm Limited

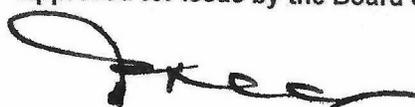
## Consolidated Statement of Financial Position

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	6,442,605	6,913,397
Investment in associate	12	137,492	-
Right-of-use assets	25	105,698	149,936
Pension plan assets	15	10,014	-
Financial assets at fair value through other comprehensive income	13	16,890	-
<b>Total non-current assets</b>		<u>6,712,699</u>	<u>7,063,333</u>
<b>Current assets</b>			
Inventories	18	22,563	8,033
Accounts receivable	17	311,794	434,051
Taxation recoverable		149,417	51,167
Cash and cash equivalents	20	3,829,935	3,241,427
<b>Total current assets</b>		<u>4,313,709</u>	<u>3,734,678</u>
<b>Current liabilities</b>			
Accounts payable	21	304,087	79,743
Current portion of lease liabilities	25	19,802	16,405
Current portion of long-term liabilities	24	886,408	20,760
<b>Total current liabilities</b>		<u>1,210,297</u>	<u>116,908</u>
<b>Net current assets</b>		<u>3,103,412</u>	<u>3,617,770</u>
<b>Total assets, net of current liabilities</b>		<u>9,816,111</u>	<u>10,681,103</u>
<b>Equity</b>			
Share capital	22	202,598	202,598
Retained earnings		4,305,112	4,016,375
<b>Total equity</b>		<u>4,507,710</u>	<u>4,218,973</u>
<b>Non-current liabilities</b>			
Capital grants	23	42,569	62,743
Lease liabilities	25	97,964	145,905
Long-term liabilities	24	4,425,180	5,579,241
Post-employment benefit obligation	15	20,919	33,158
Pension plan liability	15	-	818
Deferred tax liabilities	16	721,769	640,265
<b>Total non-current liabilities</b>		<u>5,308,401</u>	<u>6,462,130</u>
<b>Total equity and non-current liabilities</b>		<u>9,816,111</u>	<u>10,681,103</u>

Approved for issue by the Board of Directors on 7 July 2022 and signed on its behalf:



Oliver W. Holmes

Chairman



Earlington Barrett

Managing Director

# Wigton Windfarm Limited

## Consolidated Statement of Changes in Equity

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 April 2020</b>	11,000,000	202,598	3,254,497	3,457,095
Net profit	-	-	792,701	792,701
Other comprehensive income	-	-	(3,323)	(3,323)
Total comprehensive income	-	-	789,378	789,378
Transaction with owners				
Dividends paid	-	-	(27,500)	(27,500)
	26			
<b>Balance at 31 March 2021</b>	11,000,000	202,598	4,016,375	4,218,973
Net profit	-	-	472,086	472,086
Other comprehensive income	-	-	16,851	16,851
Total comprehensive income	-	-	488,937	488,937
Transaction with owners				
Dividends paid	-	-	(200,200)	(200,200)
	26			
<b>Balance at 31 March 2022</b>	11,000,000	202,598	4,305,112	4,507,710

# Wigton Windfarm Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>SOURCES OF CASH:</b>			
<b>Operating Activities</b>			
Cash provided by operating activities	27	1,578,004	1,774,564
<b>Financing Activities</b>			
Loans repaid	24	-	(710,000)
Lease repaid during the year	25	(19,228)	(16,405)
Payment of debt issuance costs	24	(173,797)	-
Interest paid	24	(444,339)	(478,764)
Dividend paid	26	(200,200)	(27,500)
Cash used in financing activities		(837,564)	(1,232,669)
<b>Investing Activities</b>			
Purchase of property, plant and equipment	11	(222,087)	(159,084)
Proceeds from sale of property plant and equipment		714	-
Acquisition of investment in associate	12	(137,532)	-
Acquisition of financial assets at fair value through other comprehensive income	13	(19,999)	-
Interest received		131,100	97,512
Cash used in investing activities		(247,804)	(61,572)
<b>Increase in cash and cash equivalents</b>		492,636	480,323
Exchange gains on cash and cash equivalents		95,872	81,360
Cash and cash equivalents at beginning of year		3,241,427	2,679,744
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	20	3,829,935	3,241,427

The principal non-cash transactions included within the cashflow as at 31 March 2022:

- Amortization of loan fees in the amount of \$15,734,000 (2021 - \$19,255,000)
- Amortization of the right-of-use asset in the amount of \$13,151,000 (2021 - \$15,096,000)
- Write back of due to parent company in the amount of \$ Nil (2021 - \$19,459,000)

# Wigton Windfarm Limited

Company Statement of Comprehensive Income

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Sales		2,049,232	2,592,054
Cost of sales	7	<u>(819,572)</u>	<u>(789,097)</u>
<b>Gross Profit</b>		1,229,660	1,802,957
Other income	6	255,615	217,846
General administrative expenses	7	<u>(607,784)</u>	<u>(490,708)</u>
<b>Operating Profit</b>		877,491	1,530,095
Finance expense, net	9	<u>(335,494)</u>	<u>(503,089)</u>
<b>Profit before Taxation</b>		541,997	1,027,006
Taxation	10	<u>(69,871)</u>	<u>(234,305)</u>
<b>Net Profit</b>		<u>472,126</u>	<u>792,701</u>
<b>Other Comprehensive Income, net of taxes -</b>			
<b>Items that will not be reclassified to profit or loss -</b>			
Changes in the fair value of equity investments at fair value through other comprehensive income	10	(2,332)	-
Remeasurements of pension and other post-employment benefits	10	19,183	(3,323)
<b>Total other comprehensive income, net of taxes</b>		<u>16,851</u>	<u>(3,323)</u>
<b>Total Comprehensive Income</b>		<u>488,977</u>	<u>789,378</u>
Earning per stock unit for profit attributable to the equity holders of the Company during the year	14	<u>\$0.04</u>	<u>\$0.07</u>

# Wigton Windfarm Limited

Company Statement of Financial Position

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	6,442,605	6,913,397
Investment in associate	12	137,532	-
Right-of-use assets	25	105,698	149,936
Pension plan assets	15	10,014	-
Financial assets at fair value through other comprehensive income	13	16,890	-
<b>Total non-current assets</b>		<u>6,712,739</u>	<u>7,063,333</u>
<b>Current assets</b>			
Inventories	18	22,563	8,033
Accounts receivable	17	311,794	434,051
Taxation recoverable		149,417	51,167
Cash and cash equivalents	20	3,829,935	3,241,427
<b>Total current assets</b>		<u>4,313,709</u>	<u>3,734,678</u>
<b>Current liabilities</b>			
Accounts payable	21	304,087	79,743
Current portion of lease liabilities	25	19,802	16,405
Current portion of long-term liabilities	24	886,408	20,760
<b>Total current liabilities</b>		<u>1,210,297</u>	<u>116,908</u>
<b>Net current assets</b>		<u>3,103,412</u>	<u>3,617,770</u>
<b>Total assets, net of current liabilities</b>		<u>9,816,151</u>	<u>10,681,103</u>
<b>Equity</b>			
Share capital	22	202,598	202,598
Retained earnings		4,305,152	4,016,375
<b>Total equity</b>		<u>4,507,750</u>	<u>4,218,973</u>
<b>Non-current liabilities</b>			
Capital grants	23	42,569	62,743
Lease liabilities	25	97,964	145,905
Long-term liabilities	24	4,425,180	5,579,241
Post-employment benefit obligation	15	20,919	33,158
Pension plan liability	15	-	818
Deferred tax liabilities	16	721,769	640,265
<b>Total non-current liabilities</b>		<u>5,308,401</u>	<u>6,462,130</u>
<b>Total equity and non-current liabilities</b>		<u>9,816,151</u>	<u>10,681,103</u>

Approved for issue by the Board of Directors on 7 July 2022 and signed on its behalf:



Oliver W. Holmes

Chairman



Earlington Barrett

Managing Director

# Wigton Windfarm Limited

Company Statement of Changes in Equity

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 April 2020</b>	11,000,000	202,598	3,254,497	3,457,095
Net profit	-	-	792,701	792,701
Other comprehensive income	-	-	(3,323)	(3,323)
Total comprehensive income	-	-	789,378	789,378
Transaction with owners				
Dividends paid	-	-	(27,500)	(27,500)
	26			
<b>Balance at 31 March 2021</b>	11,000,000	202,598	4,016,375	4,218,973
Net profit	-	-	472,126	472,126
Other comprehensive income	-	-	16,851	16,851
Total comprehensive income	-	-	488,977	488,977
Transaction with owners				
Dividends paid	-	-	(200,200)	(200,200)
	26			
<b>Balance at 31 March 2022</b>	11,000,000	202,598	4,305,152	4,507,750

# Wigton Windfarm Limited

## Company Statement of Cash Flows

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>SOURCES OF CASH:</b>			
<b>Operating Activities</b>			
Cash provided by operating activities	27	1,578,004	1,774,564
<b>Financing Activities</b>			
Loans repaid	24	-	(710,000)
Lease repaid during the year	25	(19,228)	(16,405)
Payment of debt issuance costs	24	(173,797)	-
Interest paid	24	(444,339)	(478,764)
Dividend paid	26	(200,200)	(27,500)
Cash used in financing activities		(837,564)	(1,232,669)
<b>Investing Activities</b>			
Purchase of property, plant and equipment	11	(222,087)	(159,084)
Proceeds from sale of property plant and equipment		714	-
Acquisition of investment in associate	12	(137,532)	-
Acquisition of financial assets at fair value through other comprehensive income	13	(19,999)	-
Interest received		131,100	97,512
Cash used in investing activities		(247,804)	(61,572)
<b>Increase in cash and cash equivalents</b>		492,636	480,323
Exchange gains on cash and cash equivalents		95,872	81,360
Cash and cash equivalents at beginning of year		3,241,427	2,679,744
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	20	3,829,935	3,241,427

The principal non-cash transactions included within the cashflow as at 31 March 2022:

- Amortization of loan fees in the amount of \$15,734,000 (2021 - \$19,255,000)
- Amortization of the right-of-use asset in the amount of \$13,151,000 (2021 - \$15,096,000)
- Write back of due to parent company in the amount of \$ Nil (2021 - \$19,459,000)

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(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 12 April 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.

The Company together with its associated company, Flash Holdings Limited, and its wholly owned subsidiary, Flash Motors Company Limited (Note 12), are referred to as "the Group".

Flash Holdings Limited incorporated on 19 August 2021, is a holding company registered in St. Lucia. Flash Motors Company Limited, incorporated on 17 September 2021, is an operating entity registered in Jamaica and is involved in selling and distribution of electric vehicles in Jamaica, Trinidad & Tobago, and Guyana.

### 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

The consolidated financial statements of the Group and the financial statements of the Company standing alone (together referred to as the 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, as modified by the revaluation of financial assets at fair value through other comprehensive income.

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 Group'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 Group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that none of these new standards, interpretations and amendments are relevant to its operations.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(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 Group***

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 Group'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 Group has not early adopted.

- **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 Group.
- **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 amendment is not expected to have a significant impact on the Group.
- **Amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16** (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' 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. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', and the illustrative examples accompanying IFRS 16, 'Leases'. The amendments are not expected to have a significant impact on the Group.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction** (effective for annual periods beginning on or after 1 January 2023). In specified circumstances, companies are exempt from servicing deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations-transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendment is not expected to have a significant impact on the Group.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(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 Group***

- **Narrow scope amendments to IAS 1, Presentation of financial statements', Practice statement 2 and IAS 8** (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendment is not expected to have a significant impact on the Group.

### (b) Basis of consolidation

The Company qualifies as an entity that is not a parent but that has an investment in an associate and therefore must prepare financial statements that include the associate or on an equity accounting basis. These financial statements are referred to as 'economic interest' financial statements.

The Company did not meet any of the exemptions for entities that only have investments in associates or joint ventures from the requirement to prepare 'economic interest' financial statements.

Two sets of financial statements are included in this document as follows: consolidated financial statements that is equivalent to the 'economic interest' financial statements, and company financial statements. The investment in Flash is accounted for at cost in the company financial statements, while the share in net profit of Flash are included and presented in the consolidated financial statements.

#### *Investment in associate*

An associate is an entity over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associate's post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. In the Company's statement of financial position, investments in associates are shown at cost.

The results of the associate with financial reporting year-end that is different from the Group are determined by prorating the results for the audited period as well as the period covered by management accounts (in the event that the accounting year ends more than three months prior to 31 March) to ensure that a full year of operations is accounted for, where applicable.

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

### 2. Summary of Significant Accounting Policies (Continued)

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

#### Financial assets

The Group classifies its financial assets in the following measurement categories:

- At fair value (either through other comprehensive income or through profit or loss); and
- At amortised cost.

The classification is based on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset not at fair value through profit or loss. Transaction costs that are directly attributable to the acquisition of the financial asset carried at fair value through profit or loss are expensed in profit or loss.

#### *Debt instruments*

Subsequent measurement of debt instruments is based on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in profit or loss.

#### *Trade Receivables*

Trade receivables relate mainly to Jamaica Public Service (JPS), through which all of the Group'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 Group holds the trade receivables with the objective to collect the contractual cash flows. The cash flows of the Group's trade receivables are SPPI. Subsequent to initial recognition at fair value, the Group measures trade receivables at amortised cost using the effective interest method.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Summary of Significant Accounting Policies (Continued)

### (c) Financial instruments (Continued)

#### *Other Financial Assets at Amortised Cost*

The Group 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, and other receivables.

- At fair value through other comprehensive income – Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows represent SPPI, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognized in investment income. Interest income from these financial assets is included in investment income using the effective interest rate method. Foreign exchange gains and losses are also presented in investment income and impairment expenses are presented as a separate line item in the statement of profit or loss.
- At fair value through profit or loss - Assets that do not meet the criteria for amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on a debt investment that is subsequently measured at fair value through profit or loss are recognised in profit or loss and presented net within investment income in the period in which they arise.

#### *Equity instruments*

The Group measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in investment income in the profit or loss statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

#### *Financial Asset at Fair Value Through Other Comprehensive Income*

This category pertains to the Group's investment in listed shares of Sygnus Real Estate Finance Limited which the Group is holding as a strategic investment and not held for trading.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

## (c) Summary of Significant Accounting Policies (Continued)

### (c) Financial instruments (Continued)

#### *Impairment*

The Group's financial assets at amortised cost and financial assets at fair value through other comprehensive income are subject to the expected credit loss (ECL) model in the determination of impairment. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group 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 2022 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 JPS to settle the receivables. The Group 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.

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 Group, 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 Group 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.

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

#### **Financial liabilities**

The Group'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 and long-term liabilities.

## (d) Foreign currency translation

#### ***Functional and presentation currency***

Items included in the financial statements of the Group 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 Group'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.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (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 Group's activities.

The Group 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 Group's activities as described below.

#### ***Sales of electricity***

Sale of electricity is recognised when the Group 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 2022. The revenue from Wigton Phase II for the year ended 31 March 2022 was \$459,242,000 (2021 - \$795,797,000).

Revenues are earned from the Group's single customer (JPS). There is a contractual agreement that there is a 45-day payment period for final settlement of invoices. There is no significant financing component included in the PPA.

#### ***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 Group 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 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

### 2. 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 Group'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.

#### (h) 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.

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

### 2. Summary of Significant Accounting Policies (Continued)

#### (i) Inventories

Inventories, consisting of materials and supplies for use in the Group's wind farm operations, are stated at the lower of cost and net realisable value. The cost of purchased inventory items are determined in a first-in, first out method and comprise the purchase price, import duties and other taxes and transport, handling, and other costs directly attributable to the acquisition of the inventory. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs to sell. Write-downs to net realisable value (and reversals) are immediately included in profit or loss.

#### (j) Grants

Capital grants comprise the following:

- (i) The cost less accumulated depreciation of, plant and equipment donated to the Group, and
- (ii) Amounts granted to the Group 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.

#### (k) 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 total 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.

#### (l) 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 Group.

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 Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group, the Group'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.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Summary of Significant Accounting Policies (Continued)

### (m) Leases (Continued)

To determine the incremental borrowing rate, the Group:

- 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.

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.

### (m) Employee benefits

#### ***Pension benefits***

The Group 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.

#### ***Other post-employment benefits***

The Group 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 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Summary of Significant Accounting Policies (Continued)

**(n) Dividend distribution**

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

**(o) 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 Group'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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group'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 Group 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 Group'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 Group takes on exposure to credit risk, which is the risk that its customer, client or counter party will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from trade receivables, financial asset at fair value through other comprehensive income, and cash and bank. The Group 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 Group'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 Group.

***Maximum exposure to credit risk***

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade and other receivables	264,249	215,415
Financial asset at fair value through other comprehensive income	16,890	-
Cash and cash equivalents	3,829,935	3,241,427
	<u>4,111,074</u>	<u>3,456,842</u>

The above table represents a worst-case scenario of credit risk exposure to the Group and to the Company as at 31 March 2022 and 2021.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

#### *Impairment of financial assets*

The Group and the Company's trade receivables from the sale of electricity are subject to IFRS 9's expected credit loss model.

#### **Trade receivables**

The Group's average credit period on sale of electrical energy is 45 days. The Group 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 Group 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 (2021 – 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 2022, the Group and the Company had current accounts receivable and other receivables of \$264,249,000 (2021 – \$215,415,000). The trade receivables and other receivables that were past due amounts to nil (2021 – nil).

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (b) Liquidity risk

Liquidity risk is the risk that the Group 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 Group'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 Group and its exposure to changes in interest rates and exchange rates.

#### *Undiscounted cash flows of financial liabilities*

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

	The Group and the Company				
	1 to 3	4 to 12	1 to 5	Over	Total
	Months	Months	Years	5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2022:</b>					
Accounts payable	269,388	-	-	-	269,388
Lease liabilities	4,922	14,766	75,752	72,250	167,690
Long-term liabilities	312,863	918,081	5,840,541	-	7,071,485
	<u>587,173</u>	<u>932,847</u>	<u>5,916,293</u>	<u>72,250</u>	<u>7,508,563</u>
<b>At 31 March 2021:</b>					
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>

#### (c) Market risk

The Group 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 Group'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 2022

(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 Group 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 8% devaluation and 2 % revaluation (2021 – 6% devaluation and 2% 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.

	<b>The Group and the Company</b>			
	%	Effect on	%	Effect on
	Change in	Profit before	Change in	Profit before
	Currency Rate	Taxation	Currency Rate	Taxation
	2022	2022	2021	2021
	%	\$'000	%	\$'000
<b>Currency:</b>				
USD	+8%	225,358	+6%	85,689
USD	-2%	(56,340)	-2%	(28,563)

#### (ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group's exposure to price risk arises from investment in listed equity securities held by the Group and classified as at fair value through other comprehensive income (Note 13). The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact on total equity (before tax) of a 5% increase and decrease in equity prices (with all other variables held constant) is an increase and decrease of \$845,000 and \$845,000 for the Group and Company (2021 - nil).

#### (iii) 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 Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (iii) Interest rate risk (continued)

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

		The Group and the Company					
	Fixed rate instrument/ Variable rate instrument/ Non-interest bearing instrument	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
<b>At 31 March 2022:</b>							
<b>Financial Assets</b>							
Accounts receivable	Non-interest-bearing instrument	-	-	-	-	264,249	264,249
Cash and cash equivalents	All	3,829,900	-	-	-	35	3,829,935
Total assets		3,829,900	-	-	-	264,284	4,094,184
<b>Financial Liabilities</b>							
Accounts payable	Non-interest-bearing instrument	-	-	-	-	269,388	269,388
Lease liabilities	Fixed rate instrument	2,710	8,443	50,750	55,863	-	117,766
Long term liabilities	Fixed rate instrument	228,280	658,128	4,425,180	-	-	5,311,588
Total liabilities		230,990	666,571	4,475,930	55,863	269,388	5,698,742
<b>Total interest repricing gap</b>		3,598,910	(666,571)	(4,475,930)	(55,863)	(5,104)	(1,604,558)
<b>Cumulative repricing gap</b>		3,598,910	2,932,339	(1,543,591)	(1,599,454)	(1,604,558)	

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (iii) Interest rate risk (continued)

		The Group and the Company					
	Fixed rate instrument/ Variable rate instrument/ Non-interest bearing instrument	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
<b>At 31 March 2021:</b>							
<b>Financial Assets</b>							
Accounts receivable	Non-interest-bearing instrument	-	-	-	-	215,415	215,415
Cash and cash equivalents	All	3,241,392	-	-	-	35	3,241,427
Total assets		3,241,392	-	-	-	215,450	3,456,842
<b>Financial Liabilities</b>							
Accounts payable	Non-interest-bearing instrument	-	-	-	-	51,705	51,705
Lease liabilities	Fixed rate instrument	-	16,405	67,936	77,969	-	162,310
Long term liabilities	Fixed rate instrument and Non-interest-bearing instrument	-	-	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
<b>Total interest repricing gap</b>		3,241,392	(16,405)	(3,645,067)	(2,080,079)	142,985	(2,357,174)
<b>Cumulative repricing gap</b>		3,241,392	3,224,987	(420,080)	(2,500,159)	(2,357,174)	

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (iii) 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 financial assets at fair value through other comprehensive income for the effects of the assumed changes in interest rates. The Group and the Company does not have financial assets at fair value through other comprehensive income that are subject to interest rate risk.

	The Group and the Company			
	2022		2021	
	Effect on Profit before Taxation \$'000	Other Comprehensive Income before Tax \$'000	Effect on Profit before Taxation \$'000	Other Comprehensive Income before Tax \$'000
<b>Change in basis points (J\$):</b>				
Decrease: -50 (2020: -100)	(30,173)	-	(79,453)	-
Increase: 300 (2020: +100)	181,036	-	112,367	-
<b>Change in basis points (US\$):</b>				
Decrease: -50 (2020: -100)	(1,493)	-	(15,905)	-
Increase: 150 (2020: +100)	44,803	-	15,905	-

### (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

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

### 3. Financial Risk Management (Continued)

#### (d) Fair value estimation (continued)

The fair value of the Group's financial instruments that, subsequent to initial recognition, are not measured at fair value is determined by using valuation techniques. The Group 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 investment in financial assets at fair value through other comprehensive income is based on listed prices (Level 1).
- (ii) The amounts included in the financial statements for cash and cash equivalents, accounts receivable and payable reflect their approximate fair values due to the short-term nature of these instruments.
- (iii) The fair values of long-term liabilities as disclosed in note 24 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 Group 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: current ratio, interest coverage ratio, the debt ratio and level of dividends and capital withdrawals. The Group was in compliance with the financial covenants as at the year end.

### 4. Critical Accounting Estimates and Assumptions in Applying Accounting Policies

The Group 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

##### (a) 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 Group 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.

As at 31 March 2022, the Group has tax recoverable balance amounting to \$149,417,000 (2021 - \$51,167,000). Income tax expense for the year ended 31 March 2022 amounts to \$69,871,000 (2021 - \$234,305,000).

##### (b) Existence of significant influence

Through the shareholder agreement, the Company is guaranteed two seats on the board of Flash Holdings Limited and participates in all significant financial and operating decisions. The Company has therefore determined that it has significant influence over Flash Holdings Limited.

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

---

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

#### (c) Value-in-use calculations for investment in associate

The Group assesses whether there is an objective evidence of impairment on its investment in associate. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

As at 31 March 2022, the recoverable amount of the investment amounting to \$187,524,373 was determined based on value-in-use calculations which require the use of the following assumptions:

- Terminal revenue growth rates of 2.5%
- Discount rate of 17%

The terminal revenue growth rate and discount rate used are consistent with forecasts included in industry reports specific to the industry in which the associate operates.

As at 31 March 2022, the carrying value of the investment amounts to \$137,492,000.

Management believes that no reasonably possible or foreseeable change in any of the assumptions included above would cause the carrying value of the investment to materially exceed its carrying amount.

#### (d) 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 Group applies a variety of methods in an effort to arrive at these estimates. The Group 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.

As at 31 March 2022, the net book values of property, plant and equipment amounts to \$6,442,605,000 (2021 - \$6,913,397,000). Depreciation expense for the year ended 31 March 2022 amounts to \$692,815,000 (2021 - \$679,501,000).

#### (e) 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 Group is typically reasonably certain to extend (or not to terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 March 2022, the Group has lease liabilities amounting to \$117,766,000 (2021 - \$162,310,000) and right-of-use assets amounting to \$105,698,000 (2021 - \$149,936,000).

# Wigton Windfarm Limited

Notes to the Financial Statements

**31 March 2022**

(expressed in Jamaican dollars unless otherwise indicated)

---

## 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 Group 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 Group 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.

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 5. Segment Financial Reporting (Continued)

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.

Revenues are earned from the Group's single customer (JPS). There is a contractual agreement that there is a 45-day payment period for final settlement of invoices.

	2022			
	Phase I \$'000	Phase II \$'000	Phase III \$'000	Total \$'000
Gross external revenues	752,798	459,242	837,192	2,049,232
Other income	20,175	-	7,554	27,729
Allocated other income	75,235	65,422	87,229	227,886
Total revenue	848,208	524,664	931,975	2,304,847
Segment Results	487,345	58,752	331,394	877,491
Interest expense				(335,494)
Share in net loss of associate				(40)
Profit before tax				541,957
Taxation				(69,871)
Net profit				472,086
Segment Assets	430,561	2,338,876	3,882,277	6,651,714
Unallocated Assets				4,374,694
<b>Total assets</b>				<b>11,026,408</b>
Segment liabilities	1,775,935	1,553,814	2,096,507	5,426,256
Unallocated liabilities				1,092,442
<b>Total liabilities</b>				<b>6,518,698</b>
Other segment items-				
Capital expenditure	73,321	63,757	85,009	222,087
Depreciation	128,826	253,310	310,679	692,815

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 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
<b>Total assets</b>				<b>10,798,011</b>
Segment liabilities				
Unallocated liabilities	31,311	1,981,931	3,749,069	5,762,311
<b>Total liabilities</b>				<b>816,727</b>
				<b>6,579,038</b>
Other segment items-				
Capital expenditure	52,521	45,670	60,893	159,084
Depreciation	124,410	249,085	306,006	679,501

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 Group is JPS which operates in Jamaica.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 5. Segment Financial Reporting (Continued)

	2022 \$'000	2021 \$'000
<b>Reconciliation of unallocated amounts:</b>		
Unallocated assets:		
Property plant and equipment	148,584	160,382
Right-of-use assets	2,715	-
Pension plan assets	10,014	-
Investment in associate	137,492	-
Financial asset at fair value through other comprehensive income	16,890	-
Inventories	22,563	8,033
Accounts receivable	57,084	223,160
Taxation recoverable	149,417	51,167
Cash and cash equivalents	3,829,935	3,241,427
Total unallocated assets	<u>4,374,694</u>	<u>3,684,169</u>
Unallocated liabilities:		
Accounts payable	304,087	79,743
Post-employment benefit obligation	20,919	33,158
Lease liabilities	3,098	-
Pension plan liability	-	818
Capital grant	42,569	62,743
Deferred tax liabilities	721,769	640,265
Total unallocated liabilities	<u>1,092,442</u>	<u>816,727</u>

## 6. Other Income

	<b>The Group and the Company</b>	
	2022 \$'000	2021 \$'000
Grant amortisation (Note 23)	20,174	20,174
Interest income	131,100	91,173
Reversal of management fees	-	23,300
Miscellaneous	8,469	1,839
Foreign exchange gain	95,872	81,360
	<u>255,615</u>	<u>217,846</u>

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 7. Expenses by Nature

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration	2,645	2,400
Depreciation (Note 11)	692,815	679,501
Directors' emoluments – Fees (Note 19)	12,600	10,788
Insurance	200,995	151,590
Other expense	109,740	78,567
Professional fees	14,082	13,031
Rental and utility charges	10,214	12,508
Repairs and maintenance	103,651	101,087
Staff costs (Note 8)	212,421	158,902
Security costs	11,691	11,341
Amortisation of right-of-use assets (Note 25)	13,151	15,096
Electricity	43,351	44,994
	<u>1,427,356</u>	<u>1,279,805</u>

The amounts shown above as presented in profit or loss as follows:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of sales	819,572	789,097
General administrative expenses	607,784	490,708
	<u>1,427,356</u>	<u>1,279,805</u>

### 8. Staff Costs

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	178,975	138,702
Payroll taxes – Employer's Contribution	14,404	10,079
Pension and other post-employment benefits (Note 15)	14,782	8,570
Other	4,260	1,551
	<u>212,421</u>	<u>158,902</u>

The average number of employees in 2022 was 27 (2021 - 27).

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 9. Finance Expense, net

	The Group and the Company	
	2022 \$'000	2021 \$'000
Amortisation of upfront fees on loan (Note 24)	15,734	19,255
Interest charge on lease liability (Note 25)	5,771	4,568
Interest expense on loans (Note 24)	442,165	479,266
Gain on restatement of long-term liabilities (Note 24)	(128,176)	-
	<u>335,494</u>	<u>503,089</u>

### 10. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes and comprises income tax at 25%.

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current tax	3,706	67,703	3,706	67,703
Prior year over accrual of taxes	(9,721)	(13,439)	(9,721)	(13,439)
Deferred taxation (Note 16)	75,886	180,041	75,886	180,041
	<u>69,871</u>	<u>234,305</u>	<u>69,871</u>	<u>234,305</u>

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

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Profit before tax	541,957	1,027,006	541,997	1,027,006
Tax calculated at a tax rate of 25%	135,489	256,752	135,499	256,752
Adjusted for the effects of:				
Income not subject to tax	(5,043)	(5,043)	(5,043)	(5,043)
Expenses not deductible for tax purposes	8,696	12,162	8,696	12,162
Employment tax credit (ETC)	-	(16,754)	-	(16,754)
Prior year over-accrual of taxes	(9,721)	(13,439)	(9,721)	(13,439)
Net effects of other charges and allowances	(59,550)	627	(59,560)	627
Tax charge	<u>69,871</u>	<u>234,305</u>	<u>69,871</u>	<u>234,305</u>

Subject to agreement with the Taxpayer Audit and Assessment Department, the Group has tax losses of \$53,374,000 (2021 - \$72,897,000) to carry forward indefinitely against future taxable income.

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 10. Taxation (Continued)

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 Group has recognised an ETC in the amount of \$Nil (2021 - \$16,754,000).

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

	The Group and the Company					
	2022			2021		
	Before Tax \$'000	Tax Effect \$'000	After Tax \$'000	Before Tax \$'000	Tax Effect \$'000	After Tax \$'000
Changes in the fair value of financial assets at fair value through other comprehensive income (Note 13)	3,109	(777)	2,332	-	-	-
Remeasurements of pension and other post-employment benefits (Note 15)	(25,578)	6,395	(19,183)	4,431	(1,108)	3,323
	<u>(22,469)</u>	<u>5,618</u>	<u>(16,851)</u>	<u>4,431</u>	<u>(1,108)</u>	<u>3,323</u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 11. Property, Plant and Equipment

	The Group and the Company						
	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 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
Additions	-	9,037	203,591	9,459	-	-	222,087
Disposal	-	(93)	-	-	-	(3,106)	(3,199)
At 31 March 2022	11,231,324	110,123	976,703	109,626	100,032	54,866	12,582,674
Accumulated Depreciation -							
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
Charge (Note 7)	561,566	8,016	100,974	12,242	5,106	4,911	692,815
Disposal	-	(29)	-	-	-	(3,106)	(3,135)
At 31 March 2022	5,427,021	87,198	487,640	70,054	28,085	40,071	6,140,069
Net Book Value -							
31 March 2022	5,804,303	22,925	489,063	39,572	71,947	14,795	6,442,605
31 March 2021	6,365,869	21,968	386,446	42,355	77,053	19,706	6,913,397

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Investment in Associate

In March 2022, the Company invested in a 21% share in Flash Holdings Limited. The shareholders' agreement also grants the Company an equivalent share in Flash's wholly owned subsidiary, Flash Motors Company Limited.

The Company's notional goodwill included in the acquisition price at the investment date amounts to \$137,528,851.

Movements in the investment balance during the year are shown below:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 April	-	-	-	-
Investments made during the year	137,532	-	137,532	-
Share in net profit of associate accounted for using the equity method	(40)	-	-	-
At 31 March	137,492	-	137,532	-

The associate's year-end is 30 June.

The summarised unaudited consolidated information for the associate and its subsidiary for the year ended 31 March 2022 is presented below. The information disclosed reflects the amounts presented in the financial statements of the Flash Holdings Limited and not the Group's share of those amounts.

	Amounts \$
Statement of financial position	
Total assets	137,547
Total liabilities	(175)
Net assets	<u>137,372</u>
Statement of comprehensive income	
Revenues	-
Profit from continuing operations	(200)
Profit for the period	(190)
Other comprehensive income	-
Total comprehensive income	<u>(190)</u>

As at 31 March 2022, management has not recognised any impairment loss on the investment in associate.

As at 31 March 2022, the recoverable amount of the investment amounts to \$187,524,373 based on value-in-use calculation. The value-in-use calculation considered the terminal revenue growth rate of 2.5% and a discount rate of 17%.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 12. Investment in Associate (Continued)

The sensitivity of the recoverable amount to changes in the key assumptions used in the value-in-use calculation is shown below:

	<b>The Group</b>		
	<b>2022</b>		
	<b>Impact on recoverable amount</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
		<b>\$'000</b>	<b>\$'000</b>
Terminal revenue growth rate	1%	(28,274)	33,317
Discount rate	1%	7,489	6,725

## 13. Financial Asset at Fair Value Through Other Comprehensive Income

In August 2021, the Group invested in the listed shares of Sygnus Real Estate Finance Limited.

Movements in the investment balance during the year are shown below:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April	-	-
Investments made during the year	19,999	-
Changes in fair value recognised in other comprehensive income	(3,109)	-
At 31 March	16,890	-

## 14. 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.

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net profit attributable to shareholders	472,086	792,701	472,126	792,701
Weighted average number of ordinary shares in issue ('000)	11,000,000	11,000,000	11,000,000	11,000,000
Basic earnings per share	\$0.04	\$0.07	\$0.04	\$0.07

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 15. Pension and Other Post-Employment Benefits

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts recognised in the statement of financial position:		
Pension plan (assets) liability	(10,014)	818
Post-employment benefit obligation	20,919	33,158
Amounts recognised in profit or loss:		
Pension plan asset	7,875	3,476
Post-employment benefit obligation	6,907	5,094
Total, included in staff costs (Note 8)	14,782	8,570
Amounts recognised in other comprehensive income:		
Pension plan asset	(6,622)	1,458
Post-employment benefit obligation	(18,956)	2,973
	(25,578)	4,431

#### **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.

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value of plan assets	(107,579)	(109,419)
Present value of funded obligations	97,565	110,237
Liability in the statement of financial position	(10,014)	818

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April	109,419	3,602
Past service contribution	-	89,100
Remeasurement of plan assets – experience gains	(6,039)	65
Interest income on plan assets	9,097	3,505
Benefits paid	(21,820)	-
Contributions	16,922	13,147
At 31 March	107,579	109,419

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Pension and Other Post-Employment Benefits (Continued)

### *Pension benefits (Continued)*

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April	110,237	8,881
Current service cost	8,510	6,404
Past service contribution	-	89,100
Interest cost	8,462	577
	<u>127,209</u>	<u>104,962</u>
Remeasurements -		
Losses from change in financial assumptions	4,438	(7,433)
Experience losses	(17,099)	8,956
	<u>(12,661)</u>	<u>1,523</u>
Employee contribution	4,837	3,752
Benefits paid	(21,820)	-
At 31 March	<u>97,565</u>	<u>110,237</u>

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Current service costs	8,510	6,404
Interest cost on defined benefit obligation	8,462	577
Interest income on plan assets	(9,097)	(3,505)
Total, included in staff costs (Note 8)	<u>7,875</u>	<u>3,476</u>

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Remeasurements of the plan assets	6,039	(65)
Remeasurements of the defined benefit obligation	(12,661)	1,523
	<u>(6,622)</u>	<u>1,458</u>

Expected employer contributions for the year ending 31 March 2023 amount to \$17,561,000 (2021 - \$11,892,000).

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Pension and Other Post-Employment Benefits (Continued)

### *Pension benefits (Continued)*

The distribution of plan assets was as follows:

	<b>The Group and the Company</b>			
	<b>2022</b>		<b>2021</b>	
	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>%</b>
Equity Fund	31,949	31	27,000	25
Fixed Income Fund	25,890	24	26,756	24
Foreign Currency Fund	20,964	19	27,995	26
CPI Index Fund	26,238	24	26,389	24
Other	2,538	2	1,279	1
	<u>107,579</u>	<u>100</u>	<u>109,419</u>	<u>100</u>

### *Other post-employment benefits*

The Group 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:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Present value of unfunded obligations	20,919	33,158

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April	33,158	25,357
Current service cost	4,096	3,270
Interest cost	2,811	1,824
	<u>40,065</u>	<u>30,451</u>
Remeasurement -		
Experience losses	(18,956)	2,973
Benefits paid	(190)	(266)
At 31 March	<u>20,919</u>	<u>33,158</u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Pension and Other Post-Employment Benefits (Continued)

### *Other post-employment benefits (Continued)*

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Current service cost	4,096	3,270
Interest cost	2,811	1,824
Total, included in staff costs (Note 8)	<u>6,907</u>	<u>5,094</u>

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Remeasurement of defined benefit obligation	<u>(18,956)</u>	<u>2,973</u>

### *Principal actuarial assumptions*

The principal actuarial assumptions used were as follows:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
Discount rate	8.0%	8.5%
Future salary increases	5.5%	6.5%
Future pension increases	0.0%	0.0%
Inflation rate	5.0%	5.5%
Medical cost rate	<u>6.0%</u>	<u>7.0%</u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Pension and Other Post-Employment Benefits (Continued)

### *Principal actuarial assumptions (Continued)*

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

<b>The Group and the Company</b>			
<b>2022</b>			
<b>Impact on defined benefit obligation</b>			
<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Discount rate	1%	(21,721)	29,457
Future salary increase	1%	17,481	(14,692)
Future pension increase	1%	10,107	-
<b>The Group and the Company</b>			
<b>2021</b>			
<b>Impact on defined benefit obligation</b>			
<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Discount rate	1%	(4,448)	6,108
Future salary increase	1%	3,729	-
Future pension increase	1%	1,986	(3,064)

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.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Pension and Other Post-Employment Benefits (Continued)

### *Principal actuarial assumptions (continued)*

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

<b>The Group and the Company</b>			
<b>2022</b>			
<b>Impact on defined benefit obligation</b>			
<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Discount rate	1%	(4,529)	6,287
Medical cost rate	1%	6,357	(4,638)

<b>The Group and the Company</b>			
<b>2021</b>			
<b>Impact on defined benefit obligation</b>			
<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Discount rate	1%	(7,117)	9,861
Medical cost rate	1%	9,915	(7,260)

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.

### ***Risks associated with pension and other post-employment benefit plans***

Through its defined benefit pension plan and other post-employment benefit plans, the Group 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 Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

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

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Pension and Other Post-Employment Benefits (Continued)

### *Risks associated with pension and other post-employment benefit plans (Continued)*

#### **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 Group 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 Group'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 Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group 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 2022 were invested in the Equity Fund.

The weighted average duration of the pension defined benefit obligation is 46 years, and the weighted average duration of the medical defined benefit obligation is 40 years.

## 16. Deferred Income Taxes

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

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April	(640,265)	(461,332)
Charged in arriving at profit or loss (Note 10)	(75,886)	(180,041)
Credited to other comprehensive income (Note 10)	(5,618)	1,108
At 31 March	<u>(721,769)</u>	<u>(640,265)</u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Deferred Income Taxes (Continued)

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

		<b>The Group and the Company</b>						
<b>Deferred tax liabilities</b>	<b>Pension Plan Asset</b>	<b>Unrealised Foreign Exchange Gains</b>	<b>Accelerated Tax Depreciation</b>	<b>Right-of-Use Asset</b>	<b>Interest Receivable</b>	<b>Other</b>	<b>Total</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
At 1 April 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	205	(1,862)	(962,055)	(37,484)	(349)	-	(1,001,545)	
(Charged)/credited to profit or loss	(1,053)	(3,176)	219,785	11,059	196	-	226,811	
Credited to other comprehensive income	(1,656)	-	-	-	-	777	(879)	
At 31 March 2022	(2,504)	(5,038)	(742,270)	(26,425)	(153)	777	(775,613)	
<b>Deferred tax assets</b>	<b>Unrealised and Realised FX losses</b>	<b>Interest Payable</b>	<b>Post-Employment Benefit Obligation</b>	<b>Lease Liability</b>	<b>Tax Losses</b>	<b>Other</b>	<b>Total</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
At 1 April 2020	351,734	5,079	6,339	-	102,401	1,197	466,750	
(Charged)/credited to profit or loss	(63,893)	111	1,207	40,578	(84,177)	(39)	(106,213)	
Credited to other comprehensive income	-	-	743	-	-	-	743	
At 31 March 2021	287,841	5,190	8,289	40,578	18,224	1,158	361,280	
(Charged)/credited to profit or loss	(287,841)	(588)	1,679	(11,136)	(4,881)	70	(302,697)	
Credited to other comprehensive income	-	-	(4,739)	-	-	-	(4,739)	
At 31 March 2022	-	4,602	5,229	29,442	13,343	1,228	53,844	

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 16. 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:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets	53,844	361,280
Deferred tax liabilities	(775,613)	(1,001,545)
	<u>(721,769)</u>	<u>(640,265)</u>

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets to be recovered after more than 12 months	48,014	354,932
Deferred tax liabilities to be settled after more than 12 months	(770,422)	(999,334)

## 17. Accounts Receivable

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade	254,710	210,891
Prepayments	44,773	186,969
Taxation recoverable - General Consumption Tax	2,772	31,667
Other	9,539	4,524
	<u>311,794</u>	<u>434,051</u>

## 18. Inventories

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Oil and other supplies	22,563	8,033
	<u>22,563</u>	<u>8,033</u>

There was no write-down of inventories for the year ended 31 March 2022.

No inventory item has been pledged as security for any liabilities of the Group.

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 19. Related Party Transactions and Balances

### *Key management personnel compensation*

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	45,944	25,641
Pension benefits	3,534	2,975
Payroll taxes – Employer's Contribution	2,848	1,497
Other post-employment benefits	1,066	1,282
Other	20,045	6,736
	<u>73,437</u>	<u>38,131</u>

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' emoluments –		
Director Fees	12,600	10,788
Management Remuneration	21,530	15,025
	<u>21,530</u>	<u>15,025</u>

## 20. Cash and Cash Equivalents

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	182,085	5,279
Short-term deposits	582,772	1,406,485
Resale agreements	3,065,078	1,829,663
	<u>3,829,935</u>	<u>3,241,427</u>

The weighted average effective interest rate at the year-end was 3.57% (2021 – 2.75%) on US\$, 5.03% (2021 – 3.35%) on J\$ short-term deposits.

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 21. Accounts Payable

	The Group and the Company	
	2022 \$'000	2021 \$'000
Accruals	204,840	45,405
General Consumption Tax	34,699	28,038
Other payables	64,548	6,300
	<u>304,087</u>	<u>79,743</u>

### 22. Share Capital

	The Group and the Company			
	Number of Authorised Shares '000	Number of Issued Shares '000	Stated Capital - Ordinary Shares \$'000	Total \$'000
At the beginning and end of the year	11,000,000	11,000,000	202,598	202,598

On the 22 May 2019, the Group 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.

### 23. 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.

	The Group and the Company	
	2022 \$'000	2021 \$'000
Cost of grant	403,495	403,495
Less: Accumulated amortisation	(360,926)	(340,752)
At 31 March	<u>42,569</u>	<u>62,743</u>

	The Group and the Company	
	2022 \$'000	2021 \$'000
At 1 April	62,743	82,917
Less: Amortisation (Note 6)	(20,174)	(20,174)
At 31 March	<u>42,569</u>	<u>62,743</u>

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 24. Long-Term Liabilities

The table below details changes in the Group's liabilities during the year, including both cash and non-cash changes:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April	5,600,001	6,290,244
Changes recognised in profit and loss:		
Interest charges for the year (Note 9)	442,165	479,266
Amortisation of upfront fees (Note 9)	15,734	19,255
Cash flow impacts:		
Payment of principal	-	(710,000)
Payment of interest	(444,339)	(478,764)
Impact of bond restatement:		
Gain on restatement of long-term liabilities (Note 9)	(128,176)	-
Additional upfront fees on loan	(173,797)	-
At 31 March	5,311,588	5,600,001
Less: Current portion	(886,408)	(20,760)
	<u>4,425,180</u>	<u>5,579,241</u>

These represent capital raised by the Group by way of a placement of a series of JMD-denominated senior secured bonds (Bond A-D):

	<b>The Group and the Company</b>			
	<b>Bond A</b>	<b>Bond B</b>	<b>Bond C</b>	<b>Bond D</b>
Principal - payable in full at maturity	710,000	1,953,000	1,674,587	2,011,000
Interest rate - coupon payment on a quarterly basis	6.65%	7.40%	7.90%	8.40%
Maturity date	9 December 2020	14 December 2023	14 December 2025	14 December 2028

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

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 24. Long-Term Liabilities (Continued)

### *Restatement of senior secured bonds*

In March 2022, the outstanding bonds B, C and D were restated to become Bond A and B, subject to new terms and conditions summarised below:

	<b>The Group and the Company</b>	
	<b>Bond A</b>	<b>Bond B</b>
Principal - payable in quarterly installments	3,900,000	-
Principal - payable in full at maturity	-	1,900,000
Interest rate - coupon payment on a quarterly basis	6.30%	7.25%
Maturity date	13 September 2026	14 March 2027

### *Credit ratings*

In relation to the restatement, the Caribbean Information and Credit Rating Services Limited ("CariCRIS") has assigned the following credit ratings to the restated bonds of the Group:

- **jmA** (Local Currency Rating) on the Jamaica national scale, and
- **CariBBB** (Local Currency Rating) on the regional rating scale.

CariCRIS has also assigned a stable outlook on the ratings of the Group.

The stable outlook is based on CariCRIS' expectation of continuity in the key credit drivers supporting the ratings over the next twelve (12) to fifteen (15) months, with all debt service commitments expected to be paid in a timely manner over the period.

The reconciliation of the outstanding balances as at 31 March are shown below:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Senior Secured Bonds:</b>		
Bond B	-	1,953,000
Bond C	-	1,674,587
Bond D	-	2,011,000
Bond A	2,877,486	-
Bond B	1,765,506	-
Unamortised upfront fees on loan	(217,812)	(59,346)
	<u>4,425,180</u>	<u>5,579,241</u>
Principal payable	868,000	-
Interest payable	18,408	20,760
	<u>5,311,588</u>	<u>5,600,001</u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 24. Long-Term Liabilities (Continued)

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

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
0-12 months	886,408	20,760
1-5 years	4,425,180	5,579,241
	<u>5,311,588</u>	<u>5,600,001</u>

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

	<b>The Group and the Company</b>			
	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long-term liabilities	<u>4,425,180</u>	<u>5,579,241</u>	<u>4,386,882</u>	<u>5,050,676</u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 25. Leases

The Group leases an office space as well as parcels of land for its wind farm operations. These lease contracts are typically made for fixed periods of 5 and 20 years, respectively.

The following table shows the reconciliation of the amounts recognised in the statement of financial position:

	<b>The Group and the Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Right-of-use assets</b>		
Land and office space	105,698	149,936
<b>Lease Liabilities</b>		
Current	19,802	16,405
Non-current	97,964	145,905
	<u>117,766</u>	<u>162,310</u>

The movement of the amounts recognised relating to leases are shown below:

	<b>The Group and the Company</b>	
	<b>Lease liabilities</b>	<b>Right-of-use assets</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April 2020	174,147	165,032
Cash outflow for leases		
Payment of lease principal	(16,405)	-
Amounts recognised in the statement of profit and loss:		
Interest charges for the year (Note 9)	4,568	-
Amortisation of right-of-use assets (Note 7)	-	(15,096)
At 31 March 2021	<u>162,310</u>	<u>149,936</u>
Impact of remeasurements	(31,087)	(31,087)
Cash outflow for leases		
Payment of lease principal	(19,228)	-
Amounts recognised in the statement of profit and loss:		
Interest charges for the year (Note 9)	5,771	-
Amortisation of right-of-use assets (Note 7)	-	(13,151)
At 31 March 2022	<u>117,766</u>	<u>105,698</u>

# Wigton Windfarm Limited

## Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

### 26. Dividends

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Amount declared	200,200	27,500
Dividend per stock unit	0.0182	0.0025
Declaration date	13 December 2021	2 June 2020
Payment date	<u>17 January 2022</u>	<u>13 August 2020</u>

There were no dividends declared subsequent to the year end.

### 27. Cash Flows from Operating Activities

#### (a) The Group

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Net profit	472,086	792,701
Items not affecting cash:		
Depreciation (Notes 7 and 11)	692,815	679,501
Write-off of property, plant and equipment	-	779
Gain on sale of property, plant and equipment	(650)	-
Share in net profit of associate (Note 12)	40	-
Interest income (Note 6)	(131,100)	(91,173)
Interest expense on loans (Notes 9 and 24)	442,165	479,266
Interest charge on lease liability (Notes 9 and 25)	5,771	4,568
Gain on restatement of long-term liabilities (Notes 9 and 24)	(128,176)	-
Pension plan liability	(4,210)	(5,919)
Post-employee benefit obligation	6,717	4,828
Taxation (Note 10)	69,871	234,305
Amortisation of upfront fees on loan (Notes 9 and 24)	15,734	19,255
Amortisation of grant (Notes 6 and 23)	(20,174)	(20,174)
Amortisation of right-of-use asset (Note 25)	13,151	15,096
Exchange gain on foreign balances	(95,872)	(81,360)
	<u>1,338,168</u>	<u>2,031,673</u>
Change in operating assets and liabilities:		
Inventory	(14,530)	(1,103)
Accounts receivable	122,257	(150,998)
Accounts payable	224,344	(2,362)
Due to former parent company	-	(19,459)
	<u>1,670,239</u>	<u>1,857,751</u>
Tax paid	(92,235)	(83,187)
Cash provided by operating activities	<u><u>1,578,004</u></u>	<u><u>1,774,564</u></u>

# Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 27. Cash Flows from Operating Activities (Continued)

### (b) The Company

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Net profit	472,126	792,701
Items not affecting cash:		
Depreciation (Notes 7 and 11)	692,815	679,501
Write-off of property, plant and equipment (Note 11)	-	779
Gain on sale of property, plant and equipment	(650)	-
Interest income (Note 6)	(131,100)	(91,173)
Interest expense on loans (Notes 9 and 24)	442,165	479,266
Interest charge on lease liability (Notes 9 and 25)	5,771	4,568
Gain on restatement of long-term liabilities (Notes 9 and 24)	(128,176)	-
Pension plan liability	(4,210)	(5,919)
Post-employee benefit obligation	6,717	4,828
Taxation (Note 10)	69,871	234,305
Amortisation of upfront fees on loan (Notes 9 and 24)	15,734	19,255
Amortisation of grant (Notes 6 and 23)	(20,174)	(20,174)
Amortisation of right-of-use asset (Note 25)	13,151	15,096
Exchange gain on foreign balances	(95,872)	(81,360)
	<u>1,338,168</u>	<u>2,031,673</u>
Change in operating assets and liabilities:		
Inventory	(14,530)	(1,103)
Accounts receivable	122,257	(150,998)
Accounts payable	224,344	(2,362)
Due to former parent company	-	(19,459)
	<u>1,670,239</u>	<u>1,857,751</u>
Tax paid	(92,235)	(83,187)
Cash provided by operating activities	<u><u>1,578,004</u></u>	<u><u>1,774,564</u></u>

# Wigton Windfarm Limited

Notes to the Financial Statements

**31 March 2022**

(expressed in Jamaican dollars unless otherwise indicated)

---

## 28. Subsequent events

Subsequent to 31 March 2022, the Company entered into two (2) joint venture agreements with IEC SPEI Limited ("IEC"):

- IEC and Derillion Energy Jamaica Limited ("Derillion") were jointly awarded a contract by PAC Kingston Airport Limited ("PACKAL"), the operators of the Norman Manley International Airport ("NMIA"), to design, supply, install, test and commission a two-megawatt (MW) photovoltaic system at the NMIA.

The Company is participating in the project as a co-venturer with IEC and entered into a single-project joint venture agreement on 5 April 2022. The Company's project outlay is primarily the provision of project management and project oversight services along with a contribution of US\$200,000 towards working capital.

- On 5 April 2022, the Company and IEC entered into a separate project joint venture agreement for the design, installation, operation, and maintenance of green energy solutions for the benefit of third parties who intend to generate green energy for their own consumption or to sell power to JPS. Wigton's contribution to capital is \$600,000. The share capital for subsequent projects will be at a rate of 60% for Wigton and 40% for IEC or such other percentages as may from time to time be decided by the joint venture board.