2022
ANNUAL REPORT

Wigton
WINDFARM LTD

Wigton WINDFARM LTD

Good for Energy and Clean Technologies

Good for Jamaica

Good for the Region

Mission

We contribute to energy independence and the improved environment of the countries in which we operate while delivering long term shareholder value.

Vision 2035

We are a profitable, regional conglomerate with successful clean energy and other investments.

Core Values

A

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

R

RESPECT AND TEAMWORK
Wigton strongly believes that as a team the Company achieves more. As a team we drive positive behaviours and demonstrate respect for each other.

I

INTEGRITY
Wigton, its Directors and team members demonstrate sound moral/ethical principles which are the foundation on which the Company engenders responsible action as well as strong relationships and trust.

S

SAFETY FIRST
Wigton firmly believes that a successful company must have an excellent safety programme and record. At Wigton, safety is paramount and integral in day-to-day activities.

E

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

CONTENTS

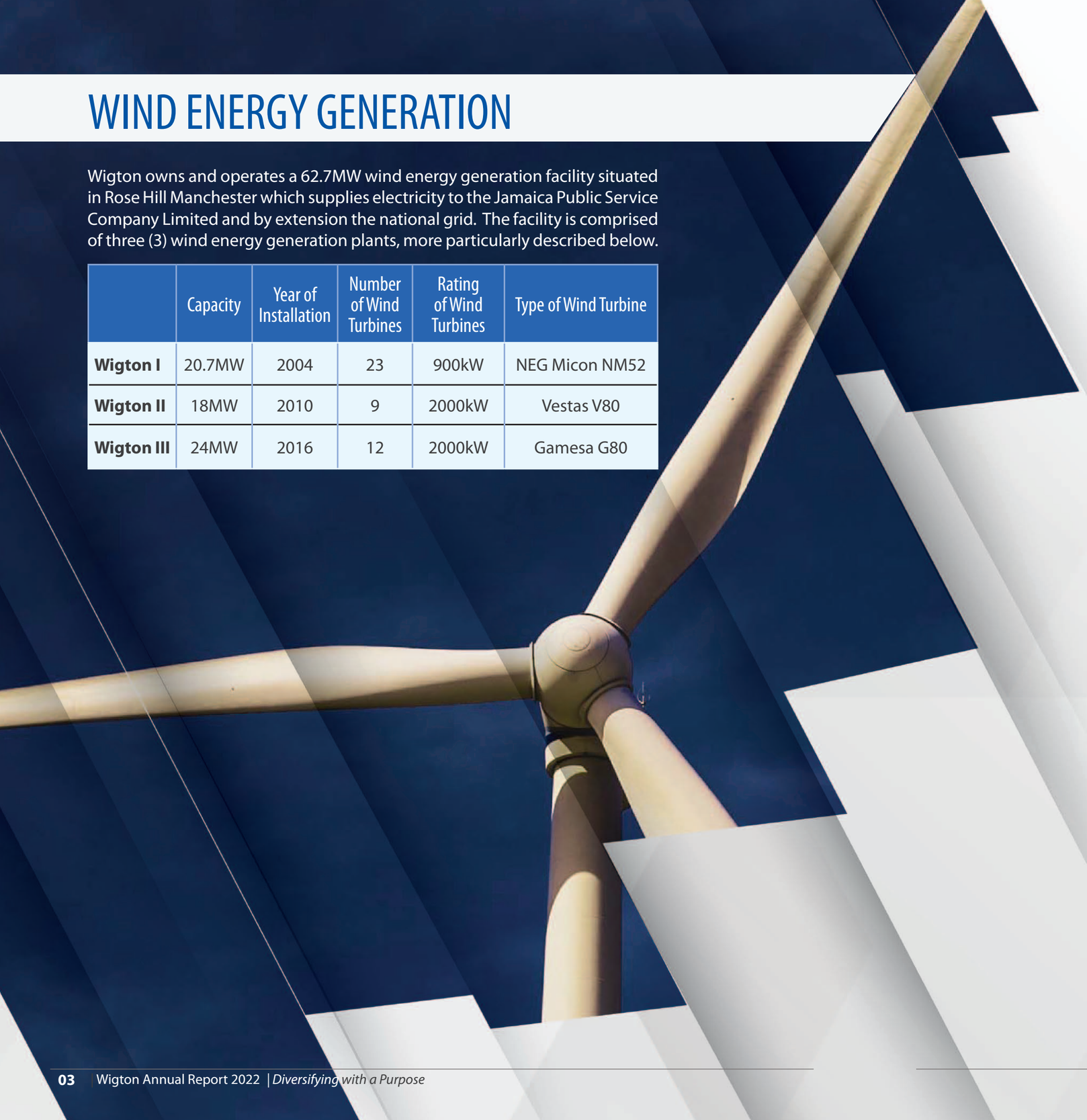
Wigton WINDFARM LTD

ABOUT US

WIND ENERGY GENERATION

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

	Capacity	Year of Installation	Number of Wind Turbines	Rating of Wind Turbines	Type of Wind Turbine
Wigton I	20.7MW	2004	23	900kW	NEG Micon NM52
Wigton II	18MW	2010	9	2000kW	Vestas V80
Wigton III	24MW	2016	12	2000kW	Gamesa G80



TRAINING LAB

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

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

During the year, Wigton facilitated a number of training sessions to the general public as well as to organisation and institutions, such as the Caribbean Centre for Renewable Energy and Energy Efficiency and the Human Employment and Resource Training Trust/National Service and Training Agency.

The then Minister of Housing, Urban Renewal, Environment and Climate Change, the Hon. Pearnel Charles Jr., as well as representatives of the Nationally Determined Contributions Partnership Support Unit and the Climate Change Advisory Board were facilitated in July, 2021 at Wigton for a tour of the Company's facilities in Rose Hill, Manchester and presentations on the operations of the Company and offerings at the Wigton Renewable Energy Training Lab.

Wigton's Engineer, Kerry-Gaye McDonald, demonstrates the model wind energy training kit while Head of Outreach and Governance at the Nationally Determined Contributions Partnership Support Unit, Tori Okner, and others observe."

"Diversifying with a purpose"

The Norman Manley International Airport, Jamaica goes solar through this 2MW solar photovoltaic installation that was completed by IEC SPEI Limited and Wigton.

DIVERSIFICATION

Wigton has acknowledged the need to diversify its business, this includes undertaking or getting involved in projects and initiatives in other sources of renewable energy, green energy and clean technologies.

During the 2021/2022 financial year the Company invested in Flash Holdings Limited (FHL) by acquiring a twenty-one percent (21%) shareholding in the entity. FHL is a St. Lucian company that is the sole shareholder of Flash Motors Company Limited, a Jamaican company, that distributes electric vehicles. The investment by Wigton in FHL was a significant aspect of Wigton's diversification plan during the financial year and signals the Company's involvement in projects that seek to reduce the negative effects of climate change and sustain a healthy environment.

Wigton also partnered with IEC SPEI Limited by establishing the Wigton-IEC Joint Venture which will implement green energy projects. The partnership with IEC also included, as a separate transaction, Wigton participating in the Norman Manley International Airport 2 MW Solar Photovoltaic Project by providing a contribution towards working capital as well as project management and project oversight services.

As Wigton continues its diversification strategy and plans, it will continue to seek opportunities for its sole undertaking and collaboration(s) on projects with experienced firms.

Wigton executes investment documents for its twenty-one percent (21%) shareholding acquisition in FHL.
Front (L-R): *Xavier Gordon, FHL Shareholder and Earlington Barrett, Wigton's Managing Director.* ***Back (L-R):*** *Carey Escoffery, FHL Shareholder, Zachary Harding, FHL Director, Oliver Holmes, Wigton's Chairman, Shaneek Clacken, Wigton's Corporate Services Manager and Assistant Company Secretary, Michelle Chin Lenn, Wigton's Project Manager and Shaun Treasure, Wigton's Finance Manager and Company Secretary.*

ADVISORY ON ANNUAL GENERAL MEETING

Dear Valued Shareholders,

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

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

We thank you for your support and understanding.

Shaun Treasure (Mrs.)
Company Secretary
September 14, 2022

Registered Office:
36 Trafalgar Road,
Kingston 10, St. Andrew

CHAIRMAN'S MESSAGE

Dear Shareholders,

Your Board of Directors has been focused on establishing plans to transition the Company to a more diverse income-generating platform for shareholders. This saw the Company, during the year, venturing into solar photovoltaic installations and the distribution of electric vehicles through strategic partnerships. Wigton, being cognizant of the need to sustain a healthy environment and preserve the wealth of its shareholders will continue to actively seek opportunities to expand and diversify its business.

In an effort to ensure appropriate corporate governance and exercise of the functions of the Board, new company policies were approved, to include Securities Trading, Dividend, Corporate Social Responsibility and Whistleblowing Policies as well as a Code of Ethics and Guidelines for Business Conduct. These are viewed as critical policies for the governance and ethical operations of the Company. The Dividend Policy in particular, will see future dividends being decided at a target pay out of not more than 25% of free cash flow of the Company.

The Company continues to meet its statutory and compliance obligations and continues to maintain safe and profitable operations. The Company also focuses on deleveraging and practices appropriate financial management and capital allocation. During the period, in line with the Company's effective management of its debt and expenses, it was determined that it would be best to restate the Company's bonds to benefit from reduced finance expenses over the life of the bonds. This restatement was successfully completed on March 14, 2022 and will see interest rate savings of $682.4Mn over the life of the restated bonds. By way of the bond restatement exercise, the Company also received its creditworthiness ratings which were concluded by Caribbean Information and Credit Rating Services Limited as jm*A* (Local Currency Rating) on the Jamaica/ national scale and Cari*BBB* (Local Currency Rating) on the regional rating scale. In terms of capital allocation, the Board declared a special dividend of J$0.0182 per ordinary share on December 13, 2021 for the benefit of shareholders.

As at March 31, 2022, the Company has debt to EBITDA ratio of 3.4. This represents a good financial status coupled with a strong balance sheet as reflected in the Company's total assets.

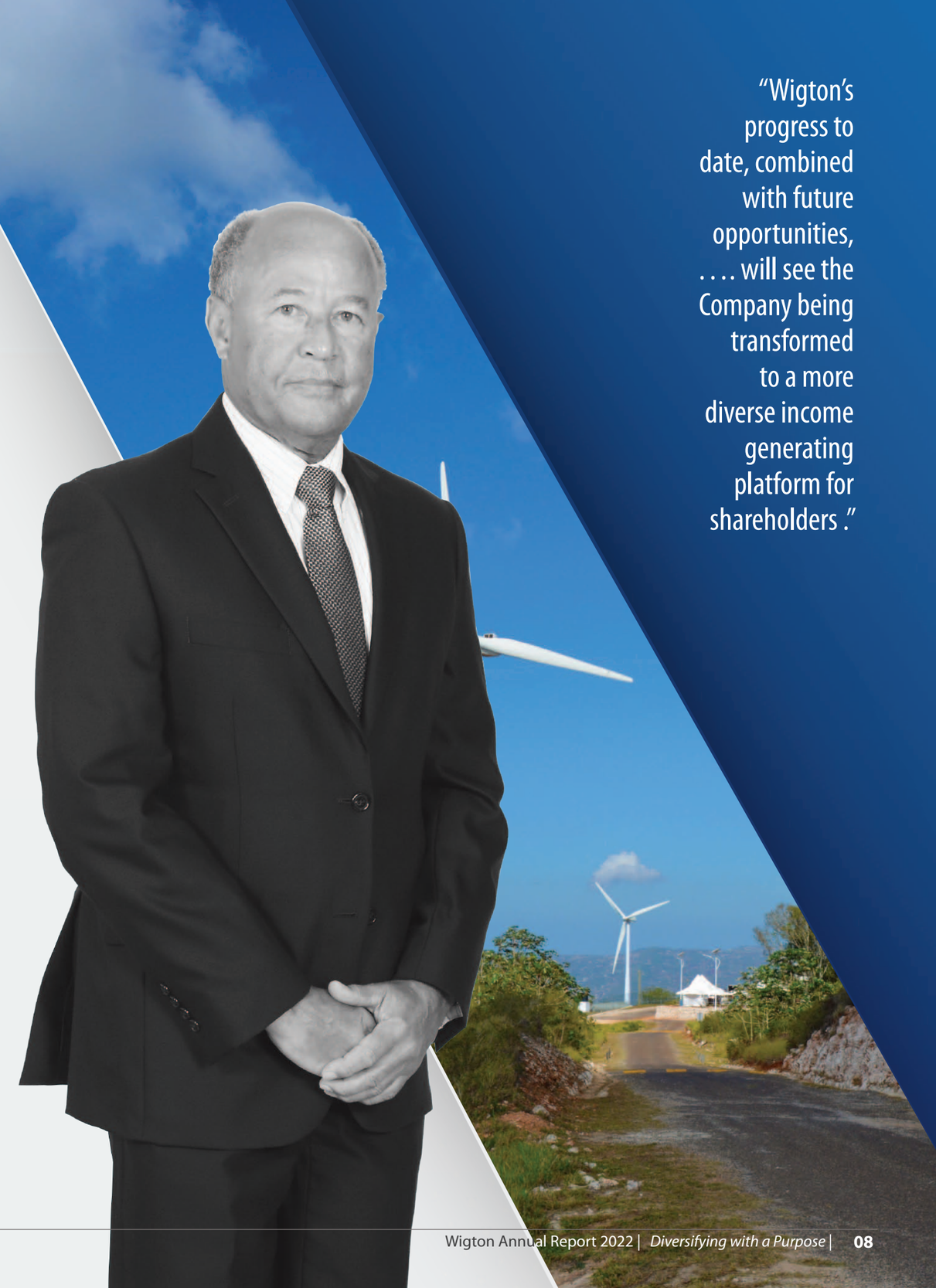
In 2021/2022, we continued our altruistic and corporate social responsibility initiatives, focusing mainly on education.

Our progress to date, combined with the opportunities in front of us, make our Company increasingly attractive for investment.

Your Board is, therefore, geared towards the strategic positioning of the Company to take advantage of opportunities and partnerships that will spur growth. We believe that the consistent stakeholder support, outstanding leadership, and the dedicated team at Wigton will see to the fulfilment of the objectives of the Company.

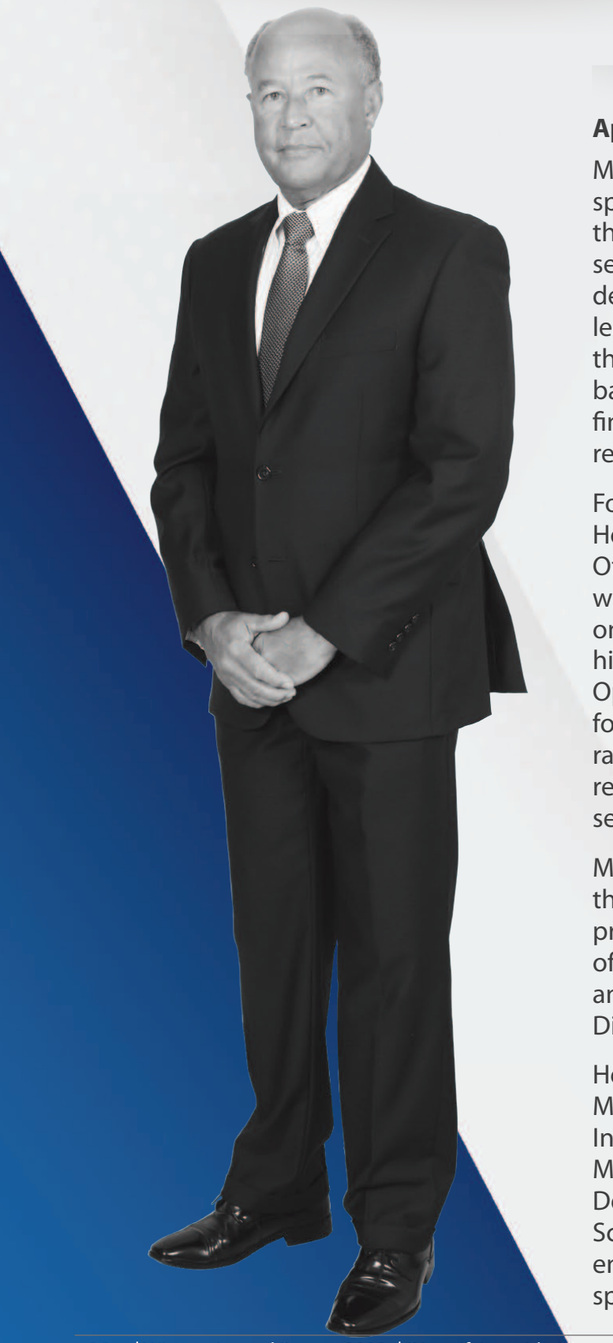
Sincerely,

Oliver W. Holmes
Chairman



"Wigton's progress to date, combined with future opportunities, ... will see the Company being transformed to a more diverse income generating platform for shareholders ."

DIRECTORS' PROFILES



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

Appointed: January, 2019

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

Following his career at Citibank Jamaica, Mr. Holmes assumed the position of Chief Operating Officer at Manufacturers' Merchant Bank Limited where he participated in growing the bank into one of the leading merchant banks in Jamaica. In his current role as Managing Director of Capital Options Limited, a financial advisory firm he founded in 1997, he leads transactions in capital raising, mergers and acquisition, private equity, real estate development and financial advisory services for the firm's corporate clients.

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

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

Earlintgon Barrett, B.Sc.
Managing Director

Mr. Barrett, an engineer with over forty (40) years of experience, has been at the helm of Wigton for more than twelve (12) years. He holds a Bachelor of Science Degree in Electrical Engineering from the Milwaukee School of Engineering, Wisconsin, USA. He received senior management training from the Kellogg Graduate School of Management, Northwestern University and the University of Illinois at Urbana-Champaign.

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

Gregory Shirley, B.A., MBA

Appointed: January, 2019

Mr. Shirley holds a Bachelor of Arts Degree in Economics from the University of Arkansas and a Master of Business Administration Degree from Michigan State University. He has over thirty (30) years of experience as a management consultant at KPMG where he rose to Partner-in-Charge of Advisory Services for KPMG CARICOM. In that capacity he provided business advisory services to firms in a wide range of industries across the Caribbean region including banking and finance, utilities, manufacturing and the service sector. Prior to joining KPMG in 1976, he served as Manager of Human Resources Planning and Development for a major United States utility company.

Mr. Shirley also serves on the Boards of Jamaica Broilers Group Limited, JMMB Bank Limited and Phoenix Printery Limited. He served on numerous Public Sector Boards, including, Port Authority of Jamaica as a Director and Kingston Container Terminals Limited as Chairman. He is currently a trustee of the Munro and Dickenson Trust and was formerly Chairman of the Munro College School Board.

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

Appointed: January, 2019

Mrs. Stewart Lechler is the Managing Director of the Stewart's Automotive Group of Companies, which comprises Stewart's Auto Sales Limited, Silver Star Motors Limited, Budget Car Rental, Automotive Art, Amber Solutions, Simpson Finance Jamaica Limited, JAMECO Equipment Company Limited and the Richard and Diana Stewart Foundation. She has over thirty-five (35) years of experience in the automotive industry and in the fields of Accounting, Sales, Marketing, and Human Resources.

Mrs. Stewart Lechler serves as a Director of several entities within the Stewart's Automotive Group of Companies and also as the Chairperson of the Island Traffic Authority and a Director of the Jamaica Promotions Corporation.

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

Appointed: January, 2019

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

Mrs. Gibson Henlin is a Fellow of the Chartered Institute of Arbitrators, a Certified Computer Forensics Examiner, and a Certified Information Privacy Professional with specialisation in the GDPR (CIPP/E, CIPM). She is a member of the Jamaican Bar Association, the International Bar Association, the American Bar Association, the International Trademark Association and the International Technology Law Association. Mrs. Gibson Henlin has published several articles in international journals on intellectual property law issues and technology and she speaks on these subjects and numerous other issues at local and international law conferences.

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

Hugh G. Johnson

Appointed: January, 2019

Mr. Johnson is a certified automotive engineer who spent several years working in the field of motor vehicle assessment before embarking on a career in agriculture. For the last twenty (20) years Mr. Johnson has been a broiler farmer and prior to that he raised livestock. He is active in organic agriculture, having served for over twenty-five (25) years as Managing Director and later as Chief Executive Officer of Johnson and Sons Organic Fertilizer Company Limited. For his contribution to sustainable agriculture in 2008 he received a Food and Agriculture Organization of the United Nations award for food security and biodiversity; and he was an Inter-American Institute for Corporation in Agriculture regional hemispheric farmer nominee in 2009.

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

Nigel Davy B.T., J.P.

Appointed: January, 2019

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

Prior to instituting his own company, Mr. Davy developed, financed, constructed and operated over fifteen (15) cogeneration and energy infrastructure projects in the United States of America, Central America and Jamaica.

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

Mr. Davy also serves as a Director of IEC SPEI Limited and Flash Holdings Limited.

Dennis Chung FCA, M.Sc., J.P.

Appointed: January, 2020

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

Prior to his current appointments, Mr. Chung was CEO of the Private Sector Organization of Jamaica and served on numerous public and private sector boards, including the Bank of Jamaica, and more recently the Pension Industries Association of Jamaica. A former Chairman of National Integrity Action, Mr. Chung is also a Past President and a Fellow of the Institute of Chartered Accountants of Jamaica and a Past Director of the Institute of Chartered Accountants of the Caribbean.

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

Omar Azan, J.P.

Appointed: September, 2020

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

Mr. Azan is a recipient of the Prime Minister's Medal of Appreciation for service to Jamaica (2013) and several other awards including the Private Sector Organisation of Jamaica 50 under Fifty Business Leader Award (2012), the NCB Nation Builder Award (2008), the Ministry of Labour and Social Security Award for Leadership, Advocacy and Patronage (2011) and the Jamaica Observer Business Leader Award (2003).

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

Dan Theoc, FCA, MBA

Appointed: September, 2020
Mr. Theoc is a Chartered Accountant licensed by the Institute of Chartered Accountants of England and Wales and is the holder of a Master of Business Administration (Finance) Degree from the University of Manchester.

He began his career in 1990 with KPMG, gaining eleven (11) years of invaluable experience in areas such as auditing, accounting, taxation, business plan development and other assurance related services. He thereafter served as Financial Controller, Vice President of Finance and Chief Financial Officer at the Jamaica Public Service Company Limited (JPSCo) over a total period of sixteen (16) years and as General Manager of the JPSCo subsidiary, South Jamaica Power Company Limited (SJPC) for eighteen (18) months. This saw him being responsible for financial reporting and planning, corporate financing and treasury, tax and strategic planning, pension administration, regulatory and tariff submissions, and procurement at JPSCo and playing a critical role in the successful execution of the financial structuring for a major development/project of SJPC. Mr. Theoc is currently Senior Vice President of Investment Banking at Mayberry Investments Limited and prides himself in being an energy and finance expert with a strong focus on promoting the growth and development of the Jamaican economy.

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

DIRECTORS' REPORT

The Directors of Wigton Windfarm Limited submit herewith their Report and Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL RESULTS $'000

Total Revenues
2,304,847

Profit before Taxation
541,957

Net Profit after Taxation
472,086

DIVIDEND

The Directors have recommended that the special dividend of J$0.0182 per ordinary share paid on January 17, 2022 be declared a final dividend for the year ended March 31, 2022.

BOARD OF DIRECTORS

The Directors as at March 31, 2022 were as follows:

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

Pursuant to Article 101 of the Company's Articles of Incorporation, one-third of the Directors (or the number nearest to one-third) will retire at the Annual General Meeting and being eligible may offer themselves for re-election. The Directors retiring, who being eligible, offer themselves for re-election are Dennis Chung, Nigel Davy, Hugh G. Johnson and Dan Theoc.

EXTERNAL AUDITORS

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

The Directors wish to express gratitude for the continued confidence of our shareholders and to the management and staff for their performance during the year.

Dated this 14TH day of September, 2022
BY ORDER OF THE BOARD

Oliver W. Holmes
Chairman

CORPORATE DATA 2021/2022

INDEPENDENT / NON-EXECUTIVE DIRECTORS

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

Dennis Chung, J.P., FCA, M.Sc.

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

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

Hugh G. Johnson

Gregory Shirley, B.A., MBA

Jacqueline M. Stewart Lechler, J.P.

Dan Theoc, FCA, MBA

Omar Azan, J.P.

EXECUTIVE DIRECTOR

Earlington Barrett, B.Sc.
Managing Director

COMPANY SECRETARY

Shaun Treasure, FCCA

REGISTERED OFFICE

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

OPERATING LOCATION

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

INVESTOR RELATIONS

Shaun Treasure, Company Secretary
shareholder.info@wwfja.com

ATTORNEYS-AT-LAW

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

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6
St. Andrew, Jamaica

MH&CO.
7 Barbados Avenue
Kingston 5
St. Andrew, Jamaica

AUDITORS

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

REGISTRAR AND TRANSFER AGENT

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston, Jamaica

PRINCIPAL BANKERS

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

ASSOCIATE

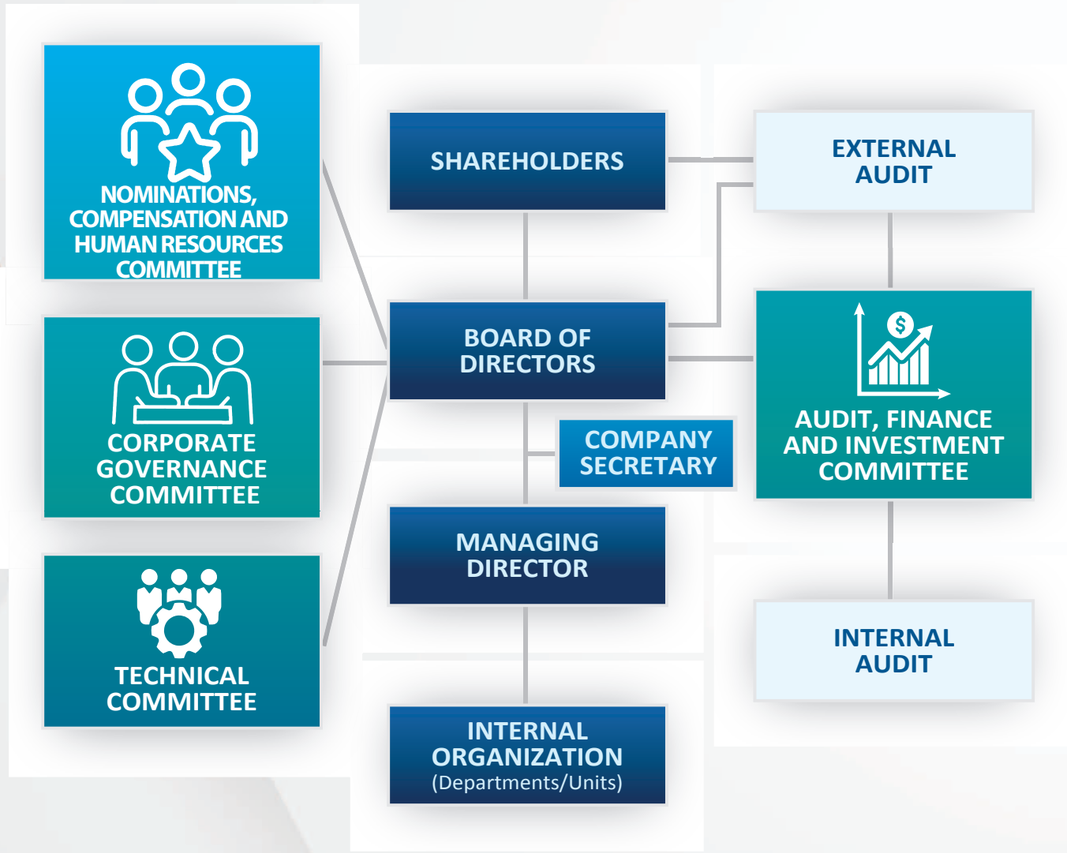
Flash Holdings Limited
Bourbon House
Bourbon Street,
P.O. Box 1695
Castries, St. Lucia

GOVERNANCE

CORPORATE GOVERNANCE REPORT

Wigton and its Board are committed to high standards of corporate governance, which are considered cardinal to business integrity and to maintaining shareholders' trust in the Company.

The Company expects all its directors and employees to act with integrity and fairness. The Company is committed to acting in accordance with the laws and customs of the countries in which it operates, adopting proper standards of business practice and procedure and operating with openness and honesty. In this regard, the Board has adopted a Corporate Governance structure set out below.



BOARD OF DIRECTORS

Wigton's Articles of Incorporation stipulate that the Board of Directors shall consist of a minimum of five (5) and a maximum of twelve (12) members. As of the end of the year, the Board was comprised of ten (10) members, nine (9) of which, including the Chairman, were independent/non-executive Directors. Non-executive/independent Directors is defined in the Company's *Corporate Governance Structure* policy document as "a director who is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the Company and its shareholders generally."

The Chairman of the Board is responsible for leading the Board and for ensuring its effectiveness. Accurate, timely and clear information is provided to all Directors and the Chairman is satisfied that effective communication is undertaken. The Board plays its part by constructively challenging and contributing to the development of strategy, the monitoring of the performance management, integrity of financial information as well as the effectiveness of financial controls and risk monitoring and management within the Company.

An annual review of the Directors' interests in which all potential or perceived conflicts, including time commitments, length of service and other issues relevant to their independence, are considered. It is the Board's view that an independent non-executive director also needs to be able to present an objective, rigorous and constructive challenge to management, drawing on his/her wider experiences to question assumptions and viewpoints and where necessary defend their beliefs. To be effective, an independent non-executive director needs to acquire a sound understanding of the industry and the Company to be able to evaluate properly the information provided. Having considered the matter carefully the Board is of the opinion that all the current non-executive directors are independent and free from any relationship or circumstances that could materially affect, or appear to affect, their independent judgement.

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

BOARD COMPETENCY

Wigton possesses a diverse Board. No individual or group of individuals dominate the Board's decision-making. Collectively, the Directors bring a wide range of experience and expertise as they possess the requisite competences necessary for effective and efficient leadership and oversight, which are more particularly described below.

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

The size, structure and composition of the Board remains appropriate, and all the non-executive Directors continued to fulfil the criteria of independence and were able to commit the required time for the proper performance of their duties.

BOARD SUB-COMMITTEES

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

Audit, Finance and Investment Committee	
Members	Dennis Chung (Chairman), Nigel Davy, Jacqueline M. Stewart Lechler, Dan Theoc and Earlington Barrett
Primary Functions	• Assist the Board in overseeing the financial risk management strategies, policies and treasury matters of Wigton. • Ensure that Wigton adheres to its governance mandate in the specific areas of enterprise risk management, auditing policies and internal controls. • Provide critical service to the Board by bringing to the Board's attention pertinent information raised by Internal and External Audits as well as from the Committee's review and assessment of all risks faced by the Company. • Evaluate and make recommendations about proposed financing of new projects that require funding approval by the Board. • Examine and recommend for Board approval the acquisition and disposal of assets (to include machinery, furniture, equipment, motor vehicles) and investments within the guidelines established by the Board.
2021/2022 Highlights	• Met seven (7) times during the year; • Reviewed the audited Financial Statements for the year ended March 31, 2021 as well as the quarterly unaudited Financial Statements during the year and recommended to the Board their release to the Jamaica Stock Exchange; • Reviewed and approved the selection of PricewaterhouseCoopers as successful bidder in tender for external audit services and reviewed the proposed audit fee. • Monitored the activities of the Internal Auditor; • Reviewed connected party transactions; • Reviewed and recommended to the Board the investments in Sygnus Real Estate Finance Limited and Flash Holdings Limited; • Monitored and recommended to the Board the restatement of Wigton's Bonds with NCB Capital Market Limited; • Monitored the drafting/preparation of the Dividend, Risk and Investment Policies and recommended the adoption of same to the Board; • Undertook a capital allocation assessment through the engagement of a consultant and made recommendations to the Board in respect thereof; and • Reviewed the external audit plan/strategy for the 2021/2022 Financial Statements.

Corporate Governance Committee	
Members	M. Georgia Gibson Henlin (Chairperson), Gregory Shirley, Hugh G. Johnson, Omar Azan and Earlington Barrett
Primary Functions	• Monitor adherence to laws and regulations to ensure that the Board is and remains in compliance with the Companies Act; the Jamaica Stock Exchange Rules, Wigton's Board Charter and all other applicable laws and regulations. • Review the corporate governance practices and policies of Wigton. • Monitor company operations to ensure ethical conduct and adherence to principles of good corporate governance. • Consider all matters pertaining to conflict of interest and related party transactions and make recommendations to the Board, as required. • Oversee evaluations of the performance of the Board and all its committees. • Recommend appropriate related short professional development programmes for Directors, within budget, that will assist the Board to effectively perform its functions. • Ensure appropriate orientation for new Directors, in order to ensure new Directors are better able to contribute effectively to the deliberations of the Board.
2021/2022 Highlights	• Met five (5) times during the year; • Conducted a gap analysis on Wigton's corporate governance index rating and recommended areas for improvement; • Recommended for approval by the Board the following Policies: Code of Ethics and Guidelines for Business Conduct, Dividend, Securities Trading, Whistleblower, Corporate Social Responsibility, Role of Company Secretary, Social Media Use; • Monitored the drafting/preparation of the Environmental, Sexual Harassment, Covid-19 Protocols and Vaccination and Conflict of Interest Policies; • Recommended the corporate governance and ethics training that was completed by the Board and staff members; and • Recommended the conduct of the annual board performance evaluation through an independent third party that was eventually engaged.

Nominations, Compensation and Human Resources Committee	
Members	Gregory Shirley (Chairman), Jacqueline M. Stewart Lechler, Omar Azan and Earlington Barrett
Primary Functions	• Identify and nominate candidates for appointments to fill vacancies on the Board and the Senior Management Team. • Make recommendations for the re-appointment of non-executive/ independent Directors at the end of the stated term of office, considering the Director's performance on the Board. • Guide or, where necessary, spearhead, the Company's succession management process. • Oversee the Company's compensation structure to ensure that Wigton is competitive in the job market and capable of engaging and retaining key talent. • Review and recommend the approval of all human resource policies and programmes to the Board of Directors through the Corporate Governance Committee. • Recommend mechanisms for continuous improvement in employee relations. • Research and make recommendations on the remuneration of non-executive/independent Directors for their time, commitment, and responsibilities.
2021/2022 Highlights	• Met two (2) times during the year; • Reviewed the functions of the Committee and recommended the expansion of its functions to include human resources oversight; and • Recommended the representatives of Wigton to sit on the Boards of Directors of Flash Holdings Limited, an Associate of Wigton, and its subsidiary, Flash Motors Company Limited

Technical Committee	
Members	Earlington Barrett (Chairman), Nigel Davy, Hugh G. Johnson and Dan Theoc
Primary Functions	• Assist the Board in fulfilling its oversight responsibilities on specific technical matters which are beyond the scope or expertise of non-technical Directors. • Provide oversight when projects or technical jobs within the Company move to the active development and implementation phases. • Where specific technical skills can be harnessed to advance matters or projects beyond initial hurdles, assist with exploratory project functions such as strategic planning and business development. • Report to the Board on issues and matters of a technical nature for the function of the Board's mandate, as necessary.
2021/2022 Highlights	• Met six (6) times during the year; and • Monitored planning and due diligence in respect of eight (8) projects that were actively pursued by the Company during the year. Of the eight (8), the collaborations with IEC SPEI Limited and Flash Holdings Limited/Flash Motors Company Limited were successfully initiated during the year.

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

MEETINGS AND ATTENDANCE

Due to the impact of the Covid-19 pandemic, Wigton held a virtual Annual General Meeting (AGM) on January 12, 2022 with its shareholders. The AGM was livestreamed, and shareholders were allowed to join the meeting virtually.

Wigton's AGM is the primary forum for the Board and Management to interact with the shareholders of the Company with the aim of gaining a deeper understanding of their views and provide the opportunity for them to express concerns and queries on the performance of the Company. The chairmen of each of the Board committees are available to answer questions at the AGM, and all directors are expected to attend the AGM.

The shareholders having the right to attend the AGM were notified on December 17, 2021 via the local newspapers, the Company's and the Jamaica Stock Exchange's website and the social media pages of the Company. The relevant documents were also made available to shareholders via the Company's website. Shareholders were also given the opportunity to participate at the AGM by appointing a representative. Proxy forms were made available in this regard. Shareholders were also allowed to submit their questions prior to and during the AGM. Responses were provided to those questions that could be answered based on the time allotted for question and answer on the AGM's agenda and those questions that were not answered during the meeting were subsequently answered by the Company. The notice, relevant information, post AGM questions and answers and the recording of the AGM may be accessed from the Company's website at https://wwfja.com/annual-general-meeting/.

The Board and the Sub-Committees of the Board have established minimum annual meeting requirements. In keeping with the requirements, scheduled meetings were held as well as special meetings to address interim matters. During the period, meetings of the Directors were held both virtually and face-to-face. At each Board meeting the Managing Director provided a review of the business and how it was performing, and the Finance Manager provided a detailed review of the Company's financial position. The Board, during the period also considered at Board meetings, the strategic development of the Company and projects, capital allocation options and dividends, investments, regulatory and governance issues, protection of information technology resources, risk management and financing.

Wigton's PricewaterhouseCoopers Audit Partner, Tricia-Ann Smith DaSilva, Attorney-at-Law, Nerine Small, Managing Director, Earlington Barrett, Project Manager, Michelle Chin Lenn, Chairman, Oliver Holmes, Finance Manager and Company Secretary, Shaun Treasure and Corporate Services Manager and Assistant Company Secretary, Shaneek Clacken, pose for the cameras post the successful 2022 AGM of the Company.

Director	AGM (1)	Board (10)	Audit, Finance and Investment Committee (7)	Corporate Governance Committee (5)	Nominations, Compensation and Human Resources Committee (2)	Technical Committee (6)
Oliver W. Holmes	1	10/10	5/7	3/5		3/6
Earlington Barrett	1	9/10	6/7	3/5	2/2	6/6
Dennis Chung	1	7/10	7/7			
Nigel Davy	1	9/10	7/7			6/6
M. Georgia Gibson Henlin	1	5/10		5/5		
Hugh G. Johnson	1	9/10		4/5		6/6
Gregory Shirley	1	10/10		5/5	2/2	
Jacqueline M. Stewart Lechler	1	8/10	5/7			
Omar Azan	1	9/10		4/5	2/2	4/6
Dan Theoc	1	10/10	7/7			6/6

NOT A MEMBER

Where Directors are unable to attend meetings due to conflicts in their schedule, they receive the papers for consideration at the meetings, and have the opportunity to relay their comments in advance, and if necessary, follow up with the relevant Chairman of the meeting.

Each Director withdrew from any meeting where a matter was being discussed or considered which presented a conflict or potential conflict of interest to that Director.

Other invitees to the meetings included the Company Secretary, Assistant Company Secretary and other members of Senior Management Team, as necessary.

STRATEGIC PLANNING

The Board and Management, coming out of a Board and Management Planning Session that was held during the year, have developed and approved a four-year strategic plan which the Board will utilise to monitor the direction of the Company. The plan sees Wigton as a regional conglomerate by 2025/2026 with diverse operations in energy and clean technologies.

BOARD TRAINING AND DEVELOPMENT

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

During the period, the Directors received training in corporate governance and ethics with the facilitator, FaceyLaw.

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

BOARD PERFORMANCE EVALUATION

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

The Board considered the merit of utilising an external consultant who conducted the performance evaluation during the year. The anonymous evaluation process comprised a self-assessment by each director and an assessment of the Board as a unit. The results were analysed by the external consultant and a report was submitted to the Corporate Governance Committee which was then shared with the Board along with certain recommendations.

The Directors have concluded that, following the third-party evaluation, the Board and its committees operate effectively and also consider that each Director is contributing effectively and demonstrates commitment to the role. The third-party evaluation also revealed the following:

- The size and composition of the Board as well as the committees and their responsibilities are outstanding/good.
- The directorship nomination process, Board reserved powers, process of deciding membership to committees, and the development of corporate governance policy, structures and processes are outstanding/good.
- There is outstanding/good clarity between the roles of the Board and management and focus of the Board's agenda on the company's critical issues.

Similarly, the Managing Director's performance was reviewed by the Chairman.

The Board believes that it is important that evaluations be completed to assess the health of the Board and to ensure that it continues to perform at an optimal level. Evaluations will, therefore, continue to be completed on an annual basis and results appropriately considered and any gaps identified duly closed through necessary action.

BOARD REMUNERATION

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

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

April 1, 2021 – March 31, 2022		
Board Chairman	Board meeting	$150,000.00 per meeting
	Any other meeting	$75,000.00 per meeting
Sub-Committee Chairperson	Board meeting	$100,000.00 per meeting
	Sub-Committee meeting which is chaired	$75,000.00 per meeting
	Any other meeting	$50,000.00 per meeting
Director	Board	$75,000.00 per meeting
	Sub-Committee or any other meeting	$37,500.00 per meeting

The total amount paid to the Non-executive Directors was $12.6Mn.

WHISTLEBLOWING

The Company has a Whistleblowing Policy in place that is aligned with the Protected Disclosures Act, 2011. This enables employees to, in confidence, raise concerns about possible improprieties relating to the Company's operations by way of a confidential e-mail facility that has been provided to protect the identity of employees in these circumstances. The Policy was reviewed by the Corporate Governance Committee, approved by the Board and is deemed adequate. The Whistleblower Policy may be found on the Company website at https://wwfja.com/corporate-governance/.

CODE OF ETHICS AND GUIDELINES FOR BUSINESS CONDUCT

Wigton's Code of Ethics and Guidelines for Business Conduct outlines the Company's rules and expectations regarding proper business conduct and ethical behaviour of Directors, officers, and employees of the Company. The Code of Ethics and Guidelines for Business Conduct may be found on the Company's website at https://wwfja.com/corporate-governance/.

COMMUNICATION WITH SHAREHOLDERS

Since its shares were listed on the Jamaica Stock Exchange, the Company has been working to develop processes to support an effective dialogue with its shareholders.

The Company maintains a comprehensive Investor Relations website that provides, amongst other things, information on the Company, its policies, corporate documents and a platform by which shareholders are able to submit questions, concerns and request information. Shareholders are encouraged to utilise the communication platform at https://wwfja.com/shareholder-communication/ or submit direct queries to the Company Secretary c/o 36 Trafalgar Road, Kingston 10, St. Andrew or email shareholder.info@wwfja.com.

Additionally, all material information is reported on a timely basis via the Jamaica Stock Exchange's regulatory news service and other updates are published on the Company's website.

Communication with our shareholders remains an important governance philosophy and Wigton makes every effort to ensure shareholders are able to readily access information in relation to the Company.

CAPITAL OVERVIEW

Total Issued Capital:
11,000,000,000

Total Units Owned by Top Ten Shareholders: 4,470,049,489

Percentage Owned by Top Ten Shareholders: 40.64%

OUR BUSINESS & OPERATIONS

MANAGING DIRECTORS' MESSAGE

Progress is by no means a straight line and growth in a company is not always linear. What Wigton is clear on is the end goal and remains nimble to achieve its objectives.

The transition to clean energy is now a key diving factor for sustainable development in recent years. Countries are now motivated to accelerate decarbonisation to secure future energy needs. Wigton, therefore, sees itself, not only as a renewable energy independent power producer of electricity to the national grid but also as an energy solutions provider.

Accordingly, during the year Wigton actively pursued green energy and clean technology initiatives, of which the collaborations with IEC SPEI Limited on the Norman Manley International Airport solar photovoltaic project and Flash Holdings Limited/Flash Motors Company Limited on the distribution of electric vehicles came to fruition. The Company continues to actively pursue these types of projects under its diversification plan and anticipates further developments.

Operational and financial management are critical aspects of the Company. In an effort to streamline operations, reduce costs and be lither, the Company underwent a redundancy exercise under which the post of Operations Manager was made redundant. The Company also restated its bonds and completed a capital allocation assessment. Operationally, we achieved sales of approximately $2.1Bn and made a net profit of approximately $472.1Mn. This is benchmarked against the robust expense management that was undertaken during the year despite an increase of $147.6Mn or 11.5% in expenses which was mainly as a result of insurance, repairs and maintenance and staff cost. Staff cost consisted of the cost associated with the redundancy exercise and the performance incentive payment.

Our results for the year reflect the work of our team. Their professionalism and commitment resulted in our ability to extract maximum generation despite lower than historical winds for the latter part of the financial year and the lower contractual rate now being received in respect of Wigton Phase II. We thank the team for their dedication and flexibility at times to deal with disruptions and operational protocols.

We continue to prioritise safety and the implementation of adequate safety measures to ensure the well-being of team members and safe operations at our plant.

We continue to closely manage conditions arising from the Covid-19 pandemic, both in terms of health and safety requirements, but also with respect to our international suppliers and delivery lead times. These lead times and supply chain matters remain disruptive and negatively impacted the cost of and the receipt of critical equipment and spare parts.

Wigton remains geared towards the creation of significant value for all our stakeholders, and I take this opportunity to thank our customer, investors, regulators, lenders, rating agencies, suppliers, and advisors.

I look forward to building our future with your constant support and enabling Wigton's strategic positioning as a profitable, regional conglomerate with successful clean energy and other investments.

Sincerely,

Earlington Barrett
Managing Director

"The transition to clean energy is now a key driving factor for sustainable energy…and Wigton sees itself as an energy solutions provider."

MANAGEMENT TEAM

Earlington Barrett, B.Sc.
Managing Director

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

Ms. Chin Lenn is an engineer who holds a Bachelor of Science (Hons.) Degree in Chemical Engineering from the University of Waterloo, Canada and a Master of Science Degree in Engineering Management from Florida International University. Ms. Chin Lenn has been a key member of the Wigton Management Team for the past seventeen (17) years. She served as Project Manager for the 18 MW Wigton II Project and the 24 MW Wigton III Expansion and also spearheaded the establishment of the Wigton Renewable Energy Training Lab. She is currently responsible for Wigton's project diversification, scoping and planning activities.

Ms. Chin Lenn has served on various national energy committees including the Generation Code Review Committee, which she chaired and the Jamaican Energy Council Secretariat. She is currently a Director of Flash Holdings Limited.

Shaun Treasure, FCCA
Finance Manager and Company Secretary

Mrs. Treasure is a Chartered Accountant designated by the Institute of Chartered Accountants of Jamaica with more than twenty-seven (27) years of experience in Accounting and Auditing. Mrs. Treasure has been a member of the Wigton Management Team for approximately nineteen (19) years. She was appointed Finance Manager is 2009, after serving in various positions within the entity from 2003 and was also appointed Company Secretary in 2010.

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

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

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

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

Mr. Rohan Hay served as Operations Manager up to October 31, 2021.

HUMAN RESOURCES

During the year Wigton continued to navigate the effects of the Covid-19 pandemic. Effective communication was critical to inspiring the team on the Company's goal and for maintaining team connection and camaraderie. The team benefited from virtual staff meetings and company updates and policy sensitization through our utilization of platforms such as Microsoft Teams, SharePoint and network services. The Company facilitated regular talks at its weekly safety meetings on team and operational safety, staff self-awareness, stress management, as well as Covid-19 vaccination sensitization.

The Covid-19 vaccine largely becoming available during the year in Jamaica, the Company, based on the need to preserve the health and safety of team members, encouraged team members to get vaccinated and currently has an eighty-five percent (85%) Covid-19 vaccination rate.

Wigton's staff training and development initiative also continued during the year with team members being trained in the areas of operational safety, corporate governance and ethics, finance, supervisory management, effective communication and technical areas such as electric vehicles operation and servicing and cyber security.

The hard work and dedication of the team in the 2020/2021 financial year was incentivised during this period with all team members with performance evaluations in accordance with the Company's Performance Incentive Plan receiving their incentives to a total amount equivalent to 2.5% of the profit before taxation for the year ended March 31, 2021.

The Company considers the team members critical to the success of the Company and its operations and treats matters concerning their wellbeing, safety as well as satisfaction and fulfilment at work a priority. The Company has, in addition to the other policies currently in effect, during the year implemented its Whistleblowing, Code of Ethics and Guidelines for Business Conduct and Social Media policies. The Company, being cognizant of the fact that human resources is critical to the entity and that there should be channels by which team members may raise matters with the Board, has now firmly placed human resources within the remit of one of the Committees of the Board and matters that touch and concern staff or matters that are raised by staff are brought to the attention of the Committee by a standing agenda update item on every occasion on which the Committee meets.

As Wigton evolves to respond to the changing environment in which it operates and in line with its strategic plan, the Company remains committed to maintaining consistently high levels of performance, productivity, innovation, accountability and teamwork through its dedicated team members.

CORPORATE SOCIAL RESPONSIBILITY

WIGTON'S ORGANIZATIONAL VIRTUE

Wigton is committed to ensuring that the Company is driven by long-term success while providing benefits and that its business undertakings are conducted in an ethical manner; facilitating a positive social and environmental impact on our stakeholders.

During the year, the Company, with the approval of its Board of Directors, implemented a Corporate Social Responsibility Policy. The Policy which is available on the Company's website at https://wwfja.com/corporate-social-responsibility-community-impact/ outlines the thinking of the Company regarding its corporate social responsibility, relations with stakeholders, employee wellbeing and development, sponsorships/donations and, importantly, environmental sustainability.

The Company has highlighted certain focus areas of its corporate social responsibility initiatives and being mindful of the responsibility to give back to the community in which it operates focuses on contributions to education, crime prevention, community development and environmental protection/preservation.

During the year the Company, in collaboration with ResolveIT Limited, donated computer tablets to students at the Cross Keys High School in Manchester. Education is the bedrock of any healthy and prosperous country. Wigton therefore views its contributions in this regard as paramount especially given the challenges the Covid-19 pandemic have posed on the Jamaica education system.

The Company remains committed to its guiding principles of corporate social responsibility and establishing as the Company's virtue a culture of giving back to our Jamaica community.

Team members of Wigton and representatives of ResolveIT Limited handover computer tablets to students at a handing over ceremony that was held at the Cross Keys High School and at which teachers and parents of the students receiving computer tablets were present

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

The Company maintained its safety record with no serious injuries or activities during the year and actively continues to implement appropriate safety strategies in its day-to-day operations.

During the year the Company continued its Covid-19 mitigation strategy, to include, regular office sanitisation, touch free device installation and utilization and social distancing. The mitigation strategy was further bolstered with encouraging talks and sessions on the Covid-19 vaccine with one of the Company's medical doctors and other efforts to facilitate team members getting vaccinated.

Wigton, through its 100% clean energy operations and the solutions and services it implements and provides, contribute to the socioeconomic and environmental development of Jamaica.

The Company is a strong proponent of sustainable development aimed at social and economic progress and environmental preservation. Accordingly, Wigton aims to achieve continuous improvement in our environmental performance, ensuring compliance with sustainability principles and responsible management for environmental matters. This it does in accordance with certain environmental guidelines and objectives it has adopted.

They include:

- Continued compliance with environmental laws, policies, permits and procedures and placing great importance on protecting the environment as a good corporate citizen.
- Establishing and measuring the significant environmental impact of the Company's operations.
- Engaging with our suppliers and other stakeholders on environmental issues and promoting, whenever possible, the environmental development of such suppliers and stakeholders.
- Placing great importance on mitigating climate change and adapting to its impact.
- Training and motivating team members on the importance of environmental protection and preservation.
- Promoting environmental education and communication related to environmental issues by holding or supporting events and seminars related to environmental conservation and promoting the effective use of environmental management systems.

PERFORMANCE HIGHLIGHTS

	2022	2021	Change
SALES REVENUE	$2.05 Billion	$2.59 Billion	(20.9%)
GROSS PROFIT	$1.23 Billion	$1.80 Billion	(31.8%)
NET PROFIT	$472.1 Million	$792.7 Million	(40.4%)
TOTAL ASSETS	$11.03 Billion	$10.80 Billion	2.1%
SHAREHOLDERS' EQUITY	$4.50 Billion	$4.20 Billion	6.8%
EARNINGS PER STOCK UNIT	$0.04	$0.07	(42.9%)
AVERAGE PLANT AVAILABILITY	89.8%	93.3%	(3.8%)

FIVE YEAR STATISTICAL REVIEW

Wigton Windfarm Limited
Audited Statement of Comprehensive Income
March 31, 2018 - March 31, 2022
(expressed in Jamaican dollars)

	2018	2019	2020	2021	2022
	$'000	$'000	$'000	$'000	$'000
Sales	2,356,766	2,447,595	2,416,753	2,592,054	2,049,232
Cost of sales	(704,416)	(740,162)	(763,852)	(789,097)	(819,572)
Gross Profit	1,652,350	1,707,433	1,652,901	1,802,957	1,229,660
Other Income	636,920	502,994	220,889	217,846	255,615
General administrative expenses	(404,121)	(433,539)	(478,577)	(490,708)	(607,784)
Operating profit	1,885,149	1,776,888	1,395,213	1,530,095	877,491
Finance expense	(877,356)	(1,049,526)	(526,643)	(503,089)	(335,494)
Share of net loss of associate	-	-	-	-	(40)
Projected net profit/(loss) before taxation	1,007,793	727,362	868,570	1,027,006	541,957
Taxation	(240,255)	(233,768)	(205,822)	(234,305)	(69,871)
Net Profit	767,538	493,594	662,748	792,701	472,086
Other comprehensive Income, net of taxes –					
Items that will not be reclassified to profit or loss-					
Changes in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	(2,332)
Remeasurements of pension and other post-employment benefits	7,941	19,103	1,272	(3,323)	19,183
Total other comprehensive income, net of taxes	7,941	19,103	1,272	(3,323)	16,851
Total Comprehensive Income	**775,479**	**512,697**	**664,020**	**789,378**	**488,937**
Earning per stock unit for profit attributable to the equity holders of the company during the year	$0.07	$0.04	$0.06	$0.07	$0.04

Wigton Windfarm Limited
Audited Statement of Financial Position
March 31, 2018 - March 31, 2022
(expressed in Jamaican dollars)

	2018	2019	2020	2021	2022
	$'000	$'000	$'000	$'000	$'000
Non-Current Assets					
Property, plant and equipment	8,363,008	7,997,089	7,434,593	6,913,397	6,442,605
Investment in associate	-	-	-	-	137,492
Right-of-use assets	-	-	165,032	149,936	105,698
Pension plan asset	67,499	82,702	-	-	10,014
Financial assets at fair value through other comprehensive Income	-	-	-	-	16,890
Deferred tax assets	-	-	-	-	-
	8,430,507	8,079,791	7,599,625	7,063,333	6,712,699
Current Assets					
Inventory	-	-	6,930	8,033	22,563
Accounts receivable	175,176	134,815	289,392	434,051	311,794
Taxation recoverable	61,106	59,710	22,244	51,167	149,417
Cash and cash equivalents	690,367	1,376,599	2,679,744	3,241,427	3,829,935
	926,649	1,571,124	2,998,310	3,734,678	4,313,709
Current Liabilities					
Due to former parent company	24,485	19,459	19,459	-	-
Accounts payable	100,947	119,498	82,105	79,743	304,087
Current portion of lease liabilities	-	-	15,248	16,405	19,802
Current portion of long-term liabilities	770,475	22,546	730,258	20,760	886,408
	895,907	161,503	847,070	116,908	1,210,297
Net Current Assets	30,742	1,409,621	2,151,240	3,617,770	3,103,412
	8,461,249	**9,489,412**	**9,750,865**	**10,681,103**	**9,816,111**

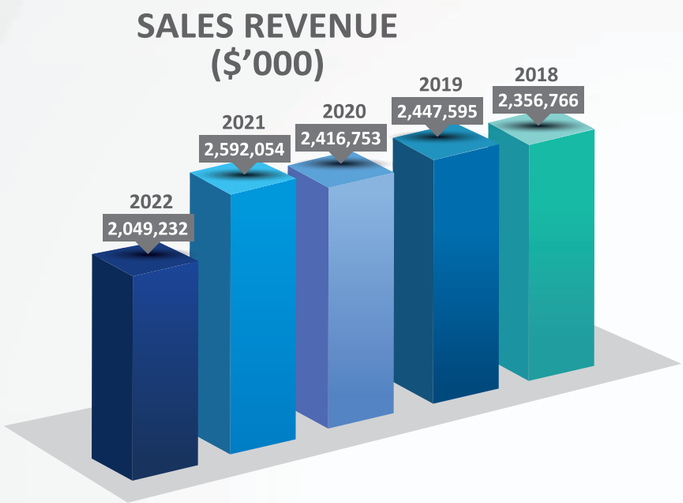
Shareholders' Equity					
Share capital	202,598	202,598	202,598	202,598	202,598
Retained earnings	2,117,972	2,590,477	3,254,497	4,016,375	4,305,112
	2,320,570	2,793,075	3,457,095	4,218,973	4,507,710
Non-Current Liabilities					
Capital grants	123,265	103,090	82,917	62,743	42,569
Lease liabilities	-	-	158,899	145,905	97,964
Long term liabilities	5,945,690	6,250,731	5,559,986	5,579,241	4,425,180
Post-employment benefit	30,164	26,925	25,357	33,158	20,919
Pension plan liability	-	-	5,279	818	-
Deferred tax liabilities	41,560	315,591	461,332	640,265	721,769
Total liabilities	6,140,679	6,696,337	6,293,770	6,462,130	5,308,401
	8,461,249	**9,489,412**	**9,750,865**	**10,681,103**	**9,816,111**

	March 2022 $'000	March 2021 $'000	Change $'000	Change %
Staement of Comprehensive Income				
Sales	2,049,232	2,592,054	(542,822)	(20.9)
Cost of Sales	(819,572)	(789,097)	(30,475)	(3.9)
Gross Profit	1,229,660	1,802,957	(573,297)	(31.8)
Other Income	255,615	217,846	37,769	17.3
General Administrative Expenses	(607,784)	(490,708)	(117,076)	(23.9)
Operating Profit	877,491	1,530,095	(652,604)	(42.7)
Finance Expenses	(335,494)	(503,089)	167,595	33.3
Share of net loss of associate	(40)	-	(40)	(100)
Net profit before Taxation	541,957	1,027,006	(485,049)	(47.2)
Taxation	(69,871)	(234,305)	164,434	70.2
Net Profit	472,086	792,701	(320,615)	(40.4)
Other comprehensive Income, net of taxes – Items that will not be reclassified to profit or loss-				
Changes in fair value of equity investments at fair value through other comprehensive income	(2,332)	-	(2,332)	(100)
Remeasurements of pension and other post-employment benefits	19,183	(3,323)	22,506	677.3
Total other comprehensive income, net of taxes	16,851	(3,323)	20,174	607.1
Total Comprehensive Income	**488,937**	**789,378**	(300,441)	(38.1)
	11,000,000	11,000,000		
Earning per stock unit for profit attributable to the equity holders of the company during the year	0.04	0.07	(0.03)	(42.9)
	$ 000	**$ 000**	**$ 000**	**%**
Balance Sheet				
Non-Current Assets	6,712,699	7,063,333	(350,634)	(5.0)
Current Assets	4,313,709	3,734,678	579,031	15.5
Total Assets	**11,026,408**	**10,798,011**	228,397	2.1
Non-Current Liabilities	5,308,401	6,462,130	1,153,729	17.9
Current Liabilities	1,210,297	116,908	(1,093,389)	(935.3)
Equity	4,507,710	4,218,973	288,737	6.8
Total Liabilities and Equity	**11,026,408**	**10,798,011**	(228,397)	(2.1)

MANAGEMENT'S DISCUSSION & ANALYSIS

SALES REVENUE

Sales revenue for the year was approximately $2.0Bn representing a 20.9% decrease when compared to the amount generated the previous year of $2.6Bn. The decline in sales revenue was because of the lower wind regime and the lower contractual rate now being received in respect of Wigton Phase II. The decline in sales revenue is due primarily to the lower production during the period which is evident based on the graph below.

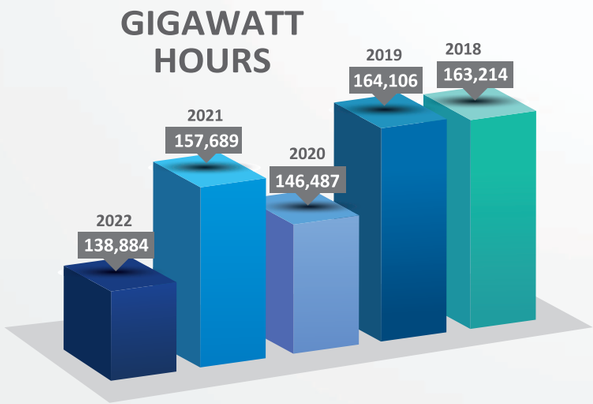


PRODUCTION

The total production output during the year was 138.9 GWh and the average plant availability was 89.8%.

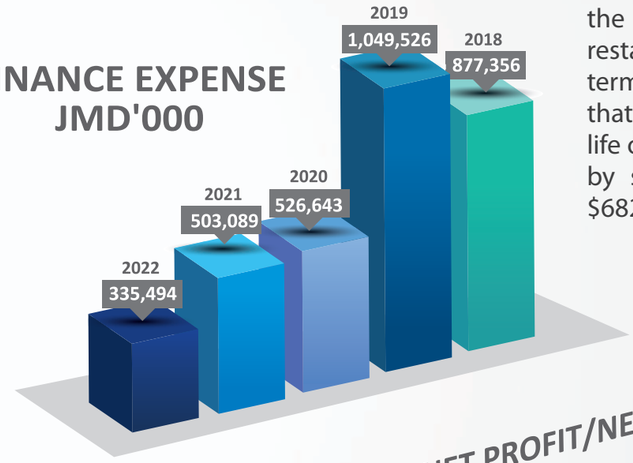
The two (2) main factors that affect production are wind speed and plant availability with wind speed being the most critical element impacting output. Wind energy is considered an intermittent resource and wind speed, which is not fixed, varies depending on the dictates of nature, such as the time of day or year. To favourably treat with this element of unpredictability, Wigton has a rigorous repair and maintenance programme that ensures the facility is ready and available to produce electricity once the wind speeds required for generation is present.

Wigton's wind energy generation facility utilizes wind turbine generators to convert the wind energy into electricity, which is sold to the Jamaica Public Service Company Limited.



FINANCE EXPENSE

Finance Expense for the year was approximately $335.5Mn, representing a $167.6Mn or 33.3% decrease when compared to the previous year of $503.1Mn. The decline in Finance Expense included of a non-cash adjustment of $128.2Mn which was due to the restatement of the Company's bonds B, C and D during the period.



In March 2022, Wigton restated its three (3) bonds to two (2) bonds, A (maturing September 2026) and B (maturing March 2027). Bond A is an amortizing bond on which principal and interest will be repaid during the term of the bond and Bond B will be repaid the end of March 2027 with interest repaid throughout the term of the bond. The restatement will result in a long-term benefit to the Company, in that the financing cost over the life of the bonds will be reduced by savings in interest cost of $682.4Mn.

NET PROFIT

Wigton ended the year with net profit attributable to shareholders in the amount of $472.1Mn. A 40.4% decrease in the net profit attributable to shareholders earned in the previous year of $792.7Mn.

TOTAL REVENUE SUMMARY

	March 2022	March 2021	Absolute Change	Percentage Change
	$'000	$'000	$'000	%
Sales from Generation of Energy	2,049,232	2,592,054	(542,822)	(20.9)
Grant Amortisation	20,174	20,174	-	-
Interest Income	131,100	91,173	39,927	43.8
Income from Training Centre	8,469	1,839	6,630	360.5
Foreign Exchange Gain	95,872	81,360	14,512	17.8
Reversal of Management Fees	-	23,300	(23,300)	(100)
Total Revenue	**2,304,847**	**2,809,900**	(505,053)	(18.0)

Total Revenue for the financial year was $2.3Bn representing a $0.5Mn or 18% decrease when compared to the amount generated the previous year which was $2.8Bn. The change was largely due to the decrease in the contractual rate per kilowatt hours from Wigton Phase II. Notwithstanding the decrease in Total Revenue, all the other components in income reflected increases; Interest Income moved from $91.2Mn to $131.1Mn, or 43.8%, Income from Training Centre of $8.5Mn represented a $6.6Mn or 360.5% as the offering of courses at the Training Centre resumed after the Covid-19 measures were amended and Wigton implemented other means to present its training content.

TOTAL EXPENSE SUMMARY

	March 2022	March 2021	Absolute Change	Percentage Change
	$'000	$'000	$'000	%
Auditors' Remuneration	2,645	2,400	(245)	(10.2)
Depreciation	692,815	679,501	(13,314)	(2.0)
Directors' emoluments-Fees	12,600	10,788	(1,812)	(16.8)
Insurance	200,995	151,590	(49,405)	(32.6)
Other Expense	109,740	78,567	(31,173)	(39.7)
Professional Fees	14,082	13,031	(1,051)	(8.1)
Rental & Utility Charges	10,214	12,508	2,294	18.3
Repairs & Maintenance	103,651	101,087	(2,564)	(2.5)
Staff Costs	212,421	158,902	(53,519)	(33.7)
Security Costs	11,691	11,341	(350)	(3.1)
Amortisation of Right-Of-Use Assets	13,151	15,096	1,945	12.9
Electricity	43,351	44,994	1,643	3.7
Total Expenses	1,427,356	1,279,805	(147,551)	(11.5)

Total Expenses were $1.4Bn, which is 11.5% or $147.5Mn above the $1.3Bn incurred in the previous year. The increase in expenses year on year occurred as a result of:

- Directors' fees increasing by $1.8Mn, or 16.8%, to $12.6Mn as against the $10.8Mn paid in 2020/2021. This increase occurred as a result of the additional meetings that were convened when compared to the previous year.
- An increase in the insurance premium continues as a result of an upsurge in global insurance rates and specifically for the Caribbean region due to the perceived higher risk of hurricanes. Insurance costs climbed to $201.0Mn, an increase of $49.4Mn or 32.6% over the $151.6Mn paid the previous year.
- Other Expense increased by $31.2Mn or 39.7% to $109.7Mn from the $78.6Mn incurred in 2020/2021.
- Staff Costs reflected an increase of $53.5Mn or 33.7%. This increase was as a result of a benefits paid, cost associated with the redundancy exercise and the inflationary adjustment to salaries during the period.

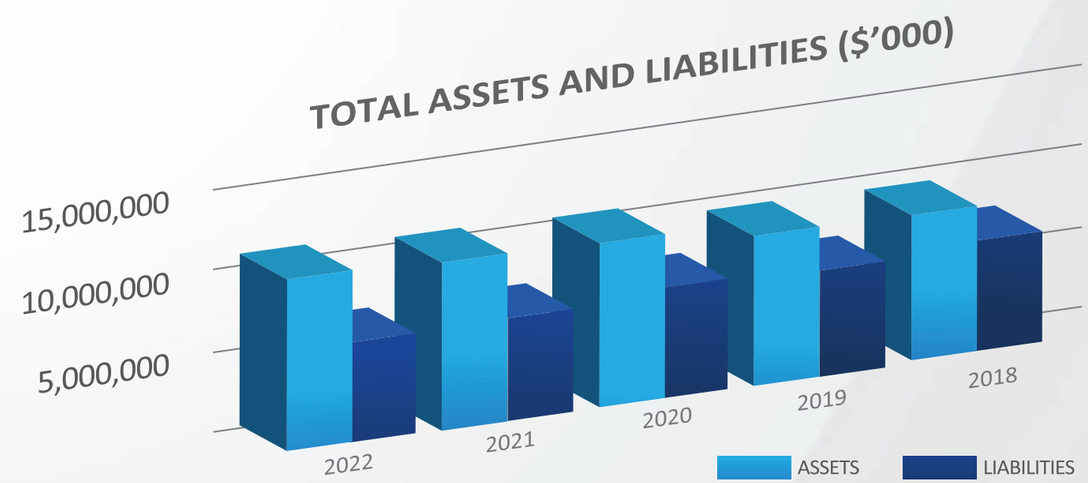
TOTAL ASSETS AND LIABILITIES

Total Assets

Total Assets at year-end were $11.0Bn, a $0.2Mn or a 2.1% increase over the prior year's value of $10.8Bn. This gain was mainly due to the increase in the value of current assets to $4.3Bn which is 15.5% higher than the previous year's amount of $3.7Bn.

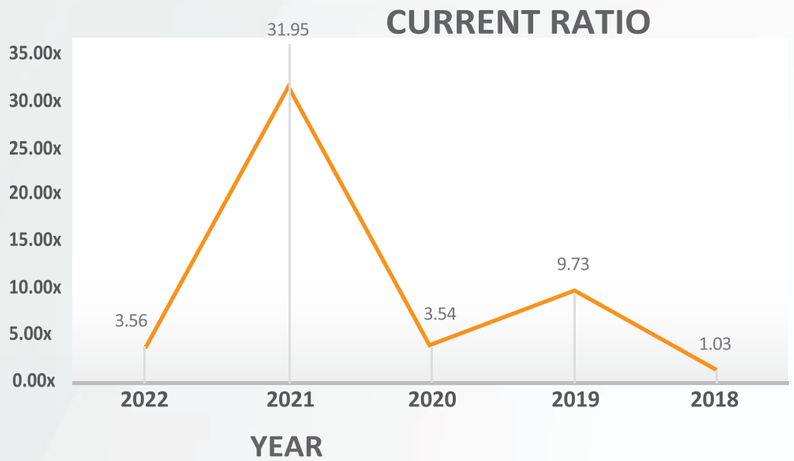
Total Liabilities

Total liabilities were $6.5Bn, a decrease of $0.1Mn or 1.0% when compared to the previous year at $6.6Bn. The change occurred because of the reduction in lease liabilities, and an increase in deferred tax liability.



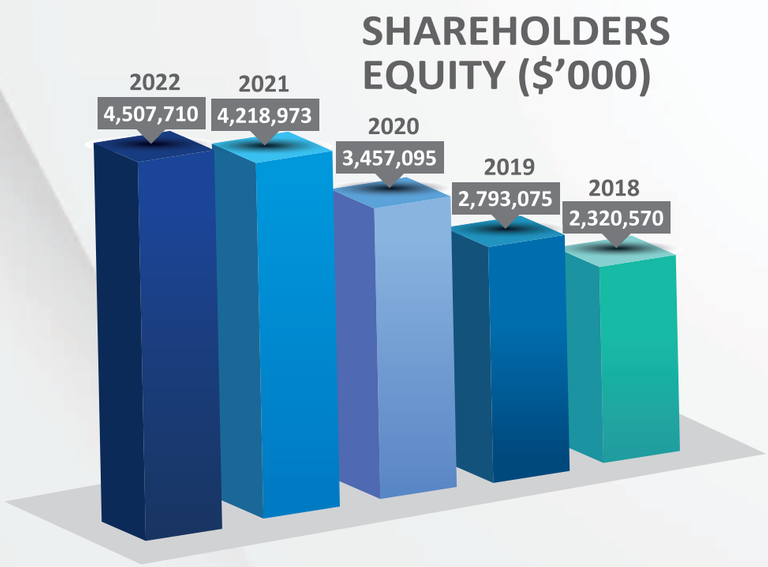
CURRENT ASSET RATIO

The Current Asset ratio declined to 3.65 in 2022 from 31.95 in 2021 as a result of the first year's principal repayment on Bond A. This reduction will nevertheless result in a long-term benefit to the Company in that the bond restatement exercise undertaken during the period will result in interest cost savings of $682.4Mn over the life of the restated bonds.



SHAREHOLDERS' EQUITY

Shareholders' Equity at year end was $4.5Bn or 6.8% above the previous year's equity of $4.2Bn. Earnings per Stock Unit (EPS) was $0.04, which reduced from the prior year's EPS of $0.07.



RISK MANAGEMENT

Wigton understands that risk management is critical in the execution of its operation and the implementation of its long-term strategic plans. Our ability to achieve critical business objectives is greatly enhanced by identifying and addressing risks which could negatively impact the Company's operational performance. Accordingly, the Company's risk management is enhanced by the continuous review, control, and mitigation of risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit, Finance and Investment Committee of the Board oversees the internal audit services and risk management function provided to the Company by Ernst and Young.

Wigton knows that if not managed well, risks could result in losses, regulatory sanctions and penalties, and damage to our reputation, any of which may adversely impact our ability to efficiently execute our business strategies. For these reasons, we operate an agile risk management framework that enables us to serve our stakeholders through sound business practices and deliver to our shareholders.

During the year the Company commenced the overhaul of its strategic plan which will see the evaluation, execution, and continuous monitoring of the business, diversification and expansion plans unfold as well as management of the risks associated with achieving the established strategic goals. A robust assessment of the key risks facing the Company, including those that impact the strategic objectives, business operations and future performance of the Company was accordingly done and the action plans to mitigate the risks defined as key features of the overall plan.

Wigton has a wide range of risks including financial, operational, strategic, regulatory, legal and reputational. It is anticipated that these key risks will change as the Company evolves and embarks on new goals and objectives.

One of the major accomplishments during the year, which stemmed from the Company's risk management, was the successful restatement of its Bonds which will strategically result in a $682.4 Mn reduction in its finance expense over the duration of the restated Bonds. The exercise involved the favourable rating of the Company by Caribbean Information and Credit Rating Services Limited.

The Company continues to face the increase in certain costs associated with the operations of the business. One such cost is the insurance of the wind turbines within a specialised industry. Wigton actively monitors this insurance risk and negotiates with insurers with the aim of realising the most effective insurance coverage and premiums each year. As the world continues to manoeuvre and manage the effects of the Covid-19 pandemic, the supply of spare parts and equipment remains negatively impacted. Nevertheless, the impact of delays and increased costs so associated, are mitigated by Wigton's robust supply chain management and its relationships with suppliers.

The impact of natural disasters and environmental risks on the Company's operations is also a critical risk consideration. To appropriately manage this risk the Company ensures that all its assets are appropriately insured against operational downtime with business interruption insurance.

As Wigton continues to grow and achieve its strategic objectives, the Company will continue to assess and manage its risks to ensure a successful execution of its business objectives against appropriately managed risks.

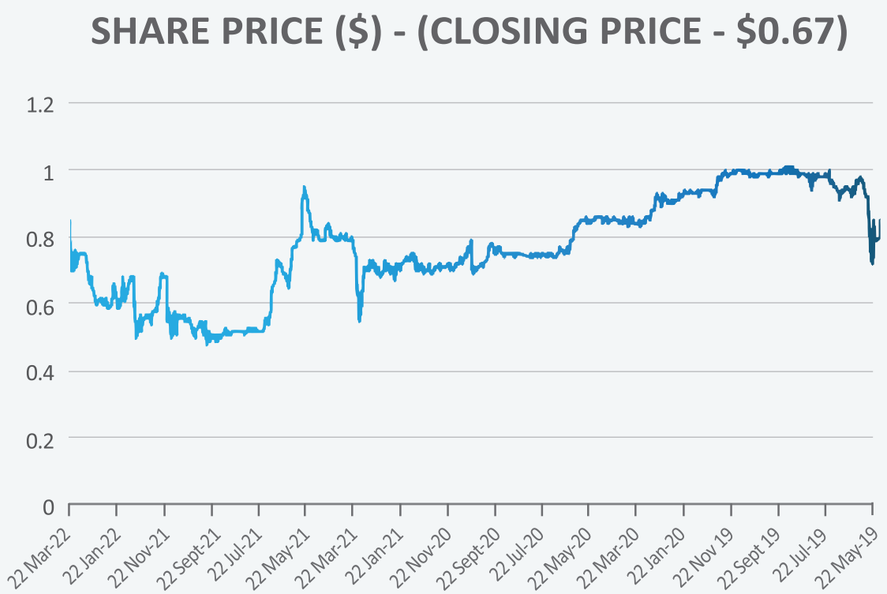
OUTLOOK

Wigton believes that the years ahead promise growth paths for the renewable, green energy and clean technologies industries to support the focus on combating climate change. The Company is, therefore, poised to diversify its business and is aggressively exploring business opportunities and partnerships that will see it as an energy solution company. In this regard the Company will continue to offer and undertake solutions in wind, solar and other areas of renewables, clean technology solutions, as well as investment opportunities to ensure continued shareholder value.

While the Company is geared towards diversification, discussions are ongoing with the relevant regulatory authorities around the timing of the next Request for Proposal (RFP) for the addition of new Renewable Energy (RE) generation to the national grid. Discussions are also ongoing with stakeholders on the repowering of Wigton Phase I in order to implement newer and more efficient wind turbines at this plant.

The Wigton Renewable Energy Training Lab which offers practical and theoretical courses in the areas of renewable energy is also expected to offer more courses.

Wigton will continue its efforts to improve operational efficiencies, prudently manage expenses and seek to improve investments.



SHAREHOLDINGS

TEN (10) LARGEST ORDINARY SHAREHOLDERS AS AT MARCH 31, 2022

	Name of Shareholder	Units	Percentage
1	Mayberry Jamaican Equities Limited	1,110,866,982	10.0988%
2	Victoria Mutual Building Society	1,051,706,322	9.5610%
3	National Insurance Fund	706,797,283	6.4254%
4	ATL Group Pension Fund Trustees NOM Limited	598,872,710	5.4443%
5	Sagicor Investments Jamaica– Account #1388842	490,192,711	4.4563%
6	Geoffrey Forde	165,875,100	1.5080%
7	Sagicor Equity Fund	111,782,470	1.0162%
8	Prime Asset Management -Pooled Equity Fund	82,286,475	0.7481%
9	MF&G Asset Management Limited-Jamaica Investments Fund	79,939,436	0.7267%
10	Prime Asset Management JPS Employees Superannuation Fund	71,730,000	0.6521%

SHAREHOLDINGS OF DIRECTORS AND THEIR CONNECTED PARTIES AS AT MARCH 31, 2022

Name of Director	Direct Shareholding	Connected Parties' Shareholding	Total
Oliver W. Holmes	-	1,000,000	1,000,000
Earlington Barrett	2,000,000	-	2,000,000
Nigel Davy	-	1,940,000	1,940,000
Dennis Chung	2,500,000	-	2,500,000
Jacqueline M. Stewart Lechler	11,252,269	-	11,252,269
M. Georgia Gibson Henlin	-	600,000	600,000
Gregory Shirley	2,000,000	-	2,000,000
Hugh G. Johnson	160,000	-	160,000
Omar Azan	-	-	-
Dan Theoc	11,512,000	-	11,512,000

There has been no change in the Directors' shareholdings occurring between March 31, 2022 and the date of publication of this Annual Report.

At no time during or at the end of the financial year has any Director, save for Director Nigel Davy, had any material interest in any contract or arrangement in relation to the business of Wigton. Director Nigel Davy is a shareholder and director of IEC SPEI Limited, a company with which Wigton entered into two (2) Joint Venture Agreements for the development of green energy projects and the execution of the Norman Manley International Airport solar photo-voltaic project, respectively, during the period.

SHAREHOLDINGS OF SENIOR MANAGEMENT AND THEIR CONNECTED PARTIES AS AT MARCH 31, 2022

Name of Senior Manager	Direct Shareholding	Connected Parties' Shareholding	Total
Earlington Barrett	2,000,000	-	2,000,000
Michelle Chin Lenn	800,000	-	800,000
Shaun Treasure	200,000	200,000	400,000
Shaneek Clacken	-	-	-

FINANCIAL STATEMENTS

Wigton Windfarm Limited

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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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

L.A. McKnight B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.

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	How our audit addressed the 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.	● 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	(819,572)	(789,097)
Gross Profit		1,229,660	1,802,957
Other income	6	255,615	217,846
General administrative expenses	7	(607,784)	(490,708)
Operating Profit		877,491	1,530,095
Finance expense, net	9	(335,494)	(503,089)
Share of net loss of associate	12	(40)	-
Profit before Taxation		541,957	1,027,006
Taxation	10	(69,871)	(234,305)
Net Profit		472,086	792,701
Other Comprehensive Income, net of taxes -			
Items that will not be reclassified to profit or loss -			
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)
Total other comprehensive income, net of taxes		16,851	(3,323)
Total Comprehensive Income		488,937	789,378
Earning per stock unit for profit attributable to the equity holders of the Group during the year	14	$0.04	$0.07

Wigton Windfarm Limited

Consolidated Statement of Financial Position
31 March 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Non-current assets			
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	-
Total non-current assets		6,712,699	7,063,333
Current assets			
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
Total current assets		4,313,709	3,734,678
Current liabilities			
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
Total current liabilities		1,210,297	116,908
Net current assets		3,103,412	3,617,770
Total assets, net of current liabilities		9,816,111	10,681,103
Equity			
Share capital	22	202,598	202,598
Retained earnings		4,305,112	4,016,375
Total equity		4,507,710	4,218,973
Non-current liabilities			
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
Total non-current liabilities		5,308,401	6,462,130
Total equity and non-current liabilities		9,816,111	10,681,103

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)

	Note	Number of Shares '000	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2020		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	26	-	-	(27,500)	(27,500)
Balance at 31 March 2021		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	26	-	-	(200,200)	(200,200)
Balance at 31 March 2022		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
SOURCES OF CASH:			
Operating Activities			
Cash provided by operating activities	27	1,578,004	1,774,564
Financing Activities			
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)
Investing Activities			
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)
Increase in cash and cash equivalents		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
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	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	(819,572)	(789,097)
Gross Profit		1,229,660	1,802,957
Other income	6	255,615	217,846
General administrative expenses	7	(607,784)	(490,708)
Operating Profit		877,491	1,530,095
Finance expense, net	9	(335,494)	(503,089)
Profit before Taxation		541,997	1,027,006
Taxation	10	(69,871)	(234,305)
Net Profit		472,126	792,701
Other Comprehensive Income, net of taxes -			
Items that will not be reclassified to profit or loss -			
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)
Total other comprehensive income, net of taxes		16,851	(3,323)
Total Comprehensive Income		488,977	789,378
Earning per stock unit for profit attributable to the equity holders of the Company during the year	14	$0.04	$0.07

Wigton Windfarm Limited

Company Statement of Financial Position
31 March 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Non-current assets			
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	-
Total non-current assets		6,712,739	7,063,333
Current assets			
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
Total current assets		4,313,709	3,734,678
Current liabilities			
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
Total current liabilities		1,210,297	116,908
Net current assets		3,103,412	3,617,770
Total assets, net of current liabilities		9,816,151	10,681,103
Equity			
Share capital	22	202,598	202,598
Retained earnings		4,305,152	4,016,375
Total equity		4,507,750	4,218,973
Non-current liabilities			
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
Total non-current liabilities		5,308,401	6,462,130
Total equity and non-current liabilities		9,816,151	10,681,103

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)

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Wigton Windfarm Limited

Company Statement of Cash Flows
Year ended 31 March 2022
(expressed in Jamaican dollars unless otherwise indicated)

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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.

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.

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.

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.

(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.

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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.

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:

	The Group and the Company	
	2022	**2021**
	$'000	**$'000**
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
	4,111,074	3,456,842

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.

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 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).

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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 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
At 31 March 2022:					
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
	587,173	932,847	5,916,293	72,250	7,508,563
At 31 March 2021:					
Accounts payable	51,705	-	-	-	51,705
Lease liabilities	6,100	18,301	97,608	128,118	250,127
Long-term liabilities	109,108	323,660	5,016,582	2,467,691	7,917,041
	166,913	341,961	5,114,190	2,595,809	8,218,873

(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.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk

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

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

Concentrations of currency risk

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

	The Group and the Company			
	Jamaican$ J$'000	US$ J$'000	Euros J$'000	Total J$'000
At 31 March 2022:				
Financial Assets				
Receivables	264,249	-	-	264,249
Cash and cash equivalents	843,069	2,986,866	-	3,829,935
Total financial assets	1,107,318	2,986,866	-	4,094,184
Financial Liabilities				
Payables	213,536	55,547	305	269,388
Lease liabilities	3,428	114,338	-	117,766
Long-term liabilities	5,311,588	-	-	5,311,588
Total financial liabilities	5,528,552	169,885	305	5,698,742
Net financial position	(4,421,234)	2,816,981	(305)	(1,604,558)

	Jamaican$ J$'000	US$ J$'000	Total J$'000
At 31 March 2021:			
Financial Assets			
Receivables	215,415	-	215,415
Cash and cash equivalents	1,650,968	1,590,459	3,241,427
Total financial assets	1,866,383	1,590,459	3,456,842
Financial Liabilities			
Payables	51,705	-	51,705
Lease liabilities	-	162,310	162,310
Long-term liabilities	5,600,001	-	5,600,001
Total financial liabilities	5,651,706	162,310	5,814,016
Net financial position	(3,785,323)	1,428,149	(2,357,174)

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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.

	The Group and the Company			
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
	2022	2022	2021	2021
	%	$'000	%	$'000
Currency:				
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).
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(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.

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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**	**4 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 31 March 2022:							
Financial Assets							
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
Financial Liabilities							
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
Total interest repricing gap		3,598,910	(666,571)	(4,475,930)	(55,863)	(5,104)	(1,604,558)
Cumulative repricing gap		3,598,910	2,932,339	(1,543,591)	(1,599,454)	(1,604,558)	

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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**
At 31 March 2021:						
Financial Assets						
Accounts receivable	Non-interest-bearing instrument	-	-	-	215,415	215,415
Cash and cash equivalents	All	-	-	-	35	3,241,427
Total assets	3,241,392	-	-	-	215,450	3,456,842
Financial Liabilities						
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
Total interest repricing gap	3,241,392	(16,405)	(3,645,067)	(2,080,079)	142,985	(2,357,174)
Cumulative repricing gap	3,241,392	3,224,987	(420,080)	(2,500,159)	(2,357,174)	

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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	**Other Comprehensive Income before Tax**	**Effect on Profit before Taxation**	**Other Comprehensive Income before Tax**
	$'000	**$'000**	**$'000**	**$'000**
Change in basis points (J$):				
Decrease: -50 (2020: -100)	(30,173)	-	(79,453)	-
Increase: 300 (2020: +100)	181,036	-	112,367	-
Change in basis points (US$):				
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).

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.

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).

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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.

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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	**Phase II**	**Phase III**	**Total**
	$'000	**$'000**	**$'000**	**$'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
Total assets				11,026,408
Segment liabilities	1,775,935	1,553,814	2,096,507	5,426,256
Unallocated liabilities				1,092,442
Total liabilities				6,518,698
Other segment items-				
Capital expenditure	73,321	63,757	85,009	222,087
Depreciation	128,826	253,310	310,679	692,815

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5. Segment Financial Reporting (Continued)

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

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.

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5. Segment Financial Reporting (Continued)

	2022 $'000	**2021 $'000**
Reconciliation of unallocated amounts:		
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	4,374,694	3,684,169
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	1,092,442	816,727

6. Other Income

	The Group and the Company	
	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
	255,615	217,846

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7. Expenses by Nature

	The Group and the Company	
	2022 $'000	**2021 $'000**
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
	1,427,356	1,279,805

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

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

8. Staff Costs

	The Group and the Company	
	2022 $'000	**2021 $'000**
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
	212,421	158,902

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

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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)	-
	335,494	503,089

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
	69,871	234,305	69,871	234,305

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	69,871	234,305	69,871	234,305

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.

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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	Tax Effect	After Tax	Before Tax	Tax Effect	After Tax
	$'000	$'000	$'000	$'000	$'000	$'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
	(22,469)	5,618	(16,851)	4,431	(1,108)	3,323

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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

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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	137,372
Statement of comprehensive income	
Revenues	-
Profit from continuing operations	(200)
Profit for the period	(190)
Other comprehensive income	-
Total comprehensive income	(190)

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%.

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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:

	The Group 2022		
		Impact on recoverable amount	
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
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:

	The Group and the Company	
	2022 $'000	2021 $'000
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.

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
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

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15. Pension and Other Post-Employment Benefits

	The Group and the Company	
	2022 $'000	**2021 $'000**
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:

	The Group and the Company	
	2022 $'000	**2021 $'000**
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:

	The Group and the Company	
	2022 $'000	**2021 $'000**
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

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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:

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

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

	The Group and the Company	
	2022 $'000	**2021 $'000**
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)	7,875	3,476

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

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

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

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

Pension benefits (Continued)

The distribution of plan assets was as follows:

	The Group and the Company			
	2022		2021	
	$'000	%	$'000	%
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
	107,579	100	109,419	100

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:

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

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

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

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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:

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

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

	The Group and the Company	
	2022	2021
	$'000	$'000
Remeasurement of defined benefit obligation	(18,956)	2,973

Principal actuarial assumptions

The principal actuarial assumptions used were as follows:

	The Group and the Company	
	2022	2021
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	6.0%	7.0%

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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:

	The Group and the Company		
	2022		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(21,721)	29,457
Future salary increase	1%	17,481	(14,692)
Future pension increase	1%	10,107	-

	The Group and the Company		
	2021		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(4,448)	6,108
Future salary increase	1%	3,729	-
Future pension increase	1%	1,986	(3,064)

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

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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:

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

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

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.

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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:

	The Group and the Company	
	2022	**2021**
	$'000	**$'000**
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	(721,769)	(640,265)

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16. Deferred Income Taxes (Continued)

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

	The Group and the Company							
Deferred tax liabilities	**Pension Plan Asset**	**Unrealised Foreign Exchange Gains**	**Accelerated Tax Depreciation**	**Right-of-Use Asset**	**Interest Receivable**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
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)

Deferred tax assets	**Unrealised and Realised FX losses**	**Interest Payable**	**Post-Employment Benefit Obligation**	**Lease Liability**	**Tax Losses**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 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

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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:

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

	The Group and the Company	
	2022 $'000	**2021 $'000**
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

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

18. Inventories

	The Group and the Company	
	2022 $'000	**2021 $'000**
Oil and other supplies	22,563	8,033
	22,563	8,033

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.

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19. Related Party Transactions and Balances

Key management personnel compensation

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

	The Group and the Company	
	2022 $'000	**2021 $'000**
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
	73,437	38,131

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

	The Group and the Company	
	2022 $'000	**2021 $'000**
Directors' emoluments –		
Director Fees	12,600	10,788
Management Remuneration	21,530	15,025

20. Cash and Cash Equivalents

	The Group and the Company	
	2022 $'000	**2021 $'000**
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
	3,829,935	3,241,427

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.

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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
	304,087	79,743

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	42,569	62,743

	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	42,569	62,743

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24. Long-Term Liabilities

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

	The Group and the Company	
	2022 $'000	**2021 $'000**
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)
	4,425,180	5,579,241

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

	The Group and the Company			
	Bond A	**Bond B**	**Bond C**	**Bond D**
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.

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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:

	The Group and the Company	
	Bond A	**Bond 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:

	The Group and the Company	
	2022 $'000	**2021 $'000**
Senior Secured Bonds:		
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)
	4,425,180	5,579,241
Principal payable	868,000	-
Interest payable	18,408	20,760
	5,311,588	5,600,001

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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:

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

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

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

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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:

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

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

	The Group and the Company	
	Lease liabilities $'000	**Right-of-use assets $'000**
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	162,310	149,936
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	117,766	105,698

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26. Dividends

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

There were no dividends declared subsequent to the year end.

27. Cash Flows from Operating Activities

(a) The Group

	2022 $'000	**2021 $'000**
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)
	1,338,168	2,031,673
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)
	1,670,239	1,857,751
Tax paid	(92,235)	(83,187)
Cash provided by operating activities	1,578,004	1,774,564

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27. Cash Flows from Operating Activities (Continued)

(b) The Company

	2022 $'000	2021 $'000
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)
	1,338,168	2,031,673
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)
	1,670,239	1,857,751
Tax paid	(92,235)	(83,187)
Cash provided by operating activities	1,578,004	1,774,564

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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.

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