



Wigton Windfarm Limited

**Financial Statements
31 March 2023**

Wigton Windfarm Limited

Index

31 March 2023

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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 affiliates (together 'the Group') and the stand-alone financial position of the Company as at 31 March 2023, 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 2023;
- 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 2023;
- 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 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.



Emphasis of Matter

We draw attention to Note 29 to these financial statements, which indicates that subsequent to year-end, the Group's management received formal correspondence from the Tax Administration Jamaica (TAJ) stating that the tax rate applicable for certain independent power producers regulated by the Office of Utilities Regulation (OUR) will be amended to a standard corporate tax rate of 25%, from the higher tax rate of 33 1/3% imposed on certain regulated entities. As the correspondence was received subsequent to year-end, the tax balances of the Company have been determined using the 33 1/3% tax rate prevailing as at 31 March 2023. Our opinion is not modified in respect of this matter.

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 comprises the parent company, Wigton Windfarm Limited, its investment in an associate, Flash Holdings Limited, which is incorporated in St. Lucia, as well as its interest in a joint arrangement.

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

Impairment of investment in associate (Group and Company)

Refer to notes 2b, 4c, and 12 to the 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 \$138 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.

The investment in associate accounts for \$128 million or 1.17% of total assets of the Group and \$138 million or 1.25% of total assets of the Company as at 31 March 2023.

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; and
- Terminal value growth rate.

How our audit addressed the key audit matter

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.
- Tested management's DCF model and the valuation assumptions and inputs by:
 - Referencing the 31 March 2023 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
 - Evaluating the terminal value growth rate 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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants
Kingston, Jamaica
28 July 2023

Wigton Windfarm Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000
Sales		2,218,435	2,049,232
Cost of sales	7	(860,330)	(819,572)
Gross Profit		<u>1,358,105</u>	<u>1,229,660</u>
Other income	6	326,367	255,615
General administrative expenses	7	(619,127)	(607,784)
Operating Profit		<u>1,065,345</u>	<u>877,491</u>
Finance expense, net	9	(424,371)	(335,494)
Share of net profit of joint venture	12	5,007	-
Share of net loss of associate	12	(9,388)	(40)
Profit before Taxation		<u>636,593</u>	<u>541,957</u>
Income tax expense	4(a), 10, 29	(327,948)	(104,557)
Net Profit		<u>308,645</u>	<u>437,400</u>
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	16	(4,828)	(2,073)
Remeasurements of pension and other post-employment benefits	16	5,330	17,052
Total other comprehensive income, net of taxes		<u>502</u>	<u>14,979</u>
Total Comprehensive Income		<u>309,147</u>	<u>452,379</u>
Earnings per stock unit	14	<u>\$0.03</u>	<u>\$0.04</u>

Refer to Note 29 for a description of the subsequent event detailing incoming changes to the applicable tax rate that would be used from financial year ending 31 March 2024 onwards.

Wigton Windfarm Limited

Consolidated Statement of Financial Position

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000	Restated 1 April 2021 \$'000
Non-current assets				
Property, plant and equipment	11	6,059,000	6,442,605	6,913,397
Investment in associate and joint operations	12	128,104	137,492	-
Right-of-use assets	25	100,660	105,698	149,936
Pension plan assets	15	7,343	10,014	-
Financial assets at fair value through other comprehensive income	13	9,647	16,890	-
Total non-current assets		<u>6,304,754</u>	<u>6,712,699</u>	<u>7,063,333</u>
Current assets				
Inventories	18	32,591	22,563	8,033
Accounts receivable	17	222,744	311,794	434,051
Taxation recoverable	29	281,330	64,398	-
Cash subject to restrictions	12	311,078	-	-
Cash and cash equivalents	20	3,822,730	3,829,935	3,241,427
Total current assets		<u>4,670,473</u>	<u>4,228,690</u>	<u>3,683,511</u>
Current liabilities				
Accounts payable	21	306,465	306,121	79,743
Taxation payable		-	-	24,929
Current portion of lease liabilities	25	19,802	19,802	16,405
Current portion of long-term liabilities	24	869,812	886,408	20,760
Total current liabilities		<u>1,196,079</u>	<u>1,212,331</u>	<u>141,837</u>
Net current assets		<u>3,474,394</u>	<u>3,016,359</u>	<u>3,541,674</u>
Total assets, net of current liabilities		<u>9,779,148</u>	<u>9,729,058</u>	<u>10,605,007</u>

Wigton Windfarm Limited

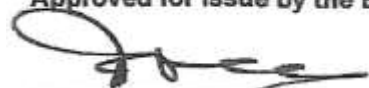
Consolidated Statement of Financial Position

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000	Restated 1 April 2021 \$'000
Equity				
Share capital	22	202,598	202,598	202,598
Retained earnings		4,226,611	3,977,469	3,725,290
Total equity		<u>4,429,209</u>	<u>4,180,067</u>	<u>3,927,888</u>
Non-current liabilities				
Capital grants	23	22,395	42,569	62,743
Lease liabilities	25	95,258	97,964	145,905
Long-term liabilities	24	3,765,208	4,425,180	5,579,241
Post-employment benefit obligation	15	8,837	20,919	33,158
Pension plan liability	15	-	-	818
Deferred tax liabilities	16, 29	1,458,241	962,359	855,254
Total non-current liabilities		<u>5,349,939</u>	<u>5,548,991</u>	<u>6,677,119</u>
Total equity and non-current liabilities		<u>9,779,148</u>	<u>9,729,058</u>	<u>10,605,007</u>

Approved for issue by the Board of Directors on 26 July 2023 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2021, as previously stated		11,000,000	202,598	4,016,375	4,218,973
Restatement	28	-	-	(291,085)	(291,085)
Balance at 1 April 2021, as restated		11,000,000	202,598	3,725,290	3,927,888
Net profit, as restated		-	-	437,400	437,400
Other comprehensive income, as restated		-	-	14,979	14,979
Total comprehensive income, as restated		-	-	452,379	452,379
Transaction with owners					
Dividends paid	26	-	-	(200,200)	(200,200)
Balance at 31 March 2022, as restated		11,000,000	202,598	3,977,469	4,180,067
Net profit		-	-	308,645	308,645
Other comprehensive income		-	-	502	502
Total comprehensive income		-	-	309,147	309,147
Transaction with owners					
Dividends paid	26	-	-	(60,005)	(60,005)
Balance at 31 March 2023		11,000,000	202,598	4,226,611	4,429,209

Wigton Windfarm Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000
SOURCES OF CASH:			
Operating Activities			
Cash provided by operating activities	27	1,659,284	1,578,004
Financing Activities			
Loans repaid	24	(868,000)	-
Lease repaid during the year	25	(21,204)	(19,228)
Additional loans proceeds received during the year	24	161,758	-
Payment of debt issuance costs	24	-	(173,797)
Interest paid	24	(385,503)	(444,339)
Dividend paid	26	(60,005)	(200,200)
Cash used in financing activities		(1,172,954)	(837,564)
Investing Activities			
Purchase of property, plant and equipment	11	(347,174)	(222,087)
Proceeds from sale of property plant and equipment		-	714
Acquisition of investment in associate	12	-	(137,532)
Acquisition of investment in joint venture	12	(30,664)	-
Proceeds from return of investment in joint venture	12	35,671	-
Cash received from contract and placed on restricted deposit	12	(201,178)	
Payment for performance bond and placed on restricted deposit	12	(109,900)	
Acquisition of financial assets at fair value through other comprehensive income	13	-	(19,999)
Interest received		206,844	131,100
Cash used in investing activities		(446,401)	(247,804)
Increase in cash and cash equivalents		39,929	492,636
Exchange (losses)/gains on cash and cash equivalents		(47,134)	95,872
Cash and cash equivalents at beginning of year		3,829,935	3,241,427
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	20	3,822,730	3,829,935

Wigton Windfarm Limited

Company Statement of Comprehensive Income

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000
Sales		2,218,435	2,049,232
Cost of sales	7	(860,330)	(819,572)
Gross Profit		1,358,105	1,229,660
Other income	6	331,374	255,615
General administrative expenses	7	(611,628)	(607,784)
Operating Profit		1,077,851	877,491
Finance expense, net	9	(424,371)	(335,494)
Profit before Taxation		653,480	541,997
Income tax expense	4(a), 10, 29	(327,948)	(104,557)
Net Profit		325,532	437,440
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	16	(4,828)	(2,073)
Remeasurements of pension and other post-employment benefits	16	5,330	17,052
Total other comprehensive income, net of taxes		502	14,979
Total Comprehensive Income		326,034	452,419

Refer to Note 29 for a description of the subsequent event detailing incoming changes to the applicable tax rate that would be used from financial year ending 31 March 2024 onwards.

Wigton Windfarm Limited

Company Statement of Financial Position

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000	Restated 1 April 2021 \$'000
Non-current assets				
Property, plant and equipment	11	6,059,000	6,442,605	6,913,397
Investment in associate and joint operations	12	138,522	137,532	-
Right-of-use assets	25	100,660	105,698	149,936
Pension plan assets	15	7,343	10,014	-
Financial assets at fair value through other comprehensive income	13	9,647	16,890	-
Total non-current assets		<u>6,315,172</u>	<u>6,712,739</u>	<u>7,063,333</u>
Current assets				
Inventories	18	19,529	22,563	8,033
Accounts receivable	17	222,744	311,794	434,051
Taxation recoverable	29	281,330	64,398	-
Cash subject to restrictions	12	311,078	-	-
Cash and cash equivalents	20	3,822,730	3,829,935	3,241,427
Total current assets		<u>4,657,411</u>	<u>4,228,690</u>	<u>3,683,511</u>
Current liabilities				
Accounts payable	21	286,894	306,121	79,743
Taxation payable		-	-	24,929
Current portion of lease liabilities	25	19,802	19,802	16,405
Current portion of long-term liabilities	24	869,812	886,408	20,760
Total current liabilities		<u>1,176,508</u>	<u>1,212,331</u>	<u>141,837</u>
Net current assets		<u>3,480,903</u>	<u>3,016,359</u>	<u>3,541,674</u>
Total assets, net of current liabilities		<u>9,796,075</u>	<u>9,729,098</u>	<u>10,605,007</u>

Wigton Windfarm Limited

Company Statement of Financial Position

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000	Restated 1 April 2021 \$'000
Equity				
Share capital	22	202,598	202,598	202,598
Retained earnings		4,243,538	3,977,509	3,725,290
Total equity		<u>4,446,136</u>	<u>4,180,107</u>	<u>3,927,888</u>
Non-current liabilities				
Capital grants	23	22,395	42,569	62,743
Lease liabilities	25	95,258	97,964	145,905
Long-term liabilities	24	3,765,208	4,425,180	5,579,241
Post-employment benefit obligation	15	8,837	20,919	33,158
Pension plan liability	15	-	-	818
Deferred tax liabilities	16, 29	1,458,241	962,359	855,254
Total non-current liabilities		<u>5,349,939</u>	<u>5,548,991</u>	<u>6,677,119</u>
Total equity and non-current liabilities		<u>9,796,075</u>	<u>9,729,098</u>	<u>10,605,007</u>

Approved for issue by the Board of Directors on 26 July 2023 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2021, as previously stated		11,000,000	202,598	4,016,375	4,218,973
Restatement	28	-	-	(291,085)	(291,085)
Balance at 1 April 2021, as restated		11,000,000	202,598	3,725,290	3,927,888
Net profit, as restated		-	-	437,440	437,440
Other comprehensive income, as restated		-	-	14,979	14,979
Total comprehensive income, as restated		-	-	452,419	452,419
Transaction with owners					
Dividends paid	26	-	-	(200,200)	(200,200)
Balance at 31 March 2022, as restated		11,000,000	202,598	3,977,509	4,180,107
Net profit		-	-	325,532	325,532
Other comprehensive income		-	-	502	502
Total comprehensive income		-	-	326,034	326,034
Transaction with owners					
Dividends paid	26	-	-	(60,005)	(60,005)
Balance at 31 March 2023		11,000,000	202,598	4,243,538	4,446,136

Wigton Windfarm Limited

Company Statement of Cash Flows

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	Restated 2022 \$'000
SOURCES OF CASH:			
Operating Activities			
Cash provided by operating activities	27	1,665,281	1,578,004
Financing Activities			
Loans repaid	24	(868,000)	-
Lease repaid during the year	25	(21,204)	(19,228)
Additional loans proceeds received during the year	24	161,758	-
Payment of debt issuance costs	24	-	(173,797)
Interest paid	24	(385,503)	(444,339)
Dividend paid	26	(60,005)	(200,200)
Cash used in financing activities		<u>(1,172,954)</u>	<u>(837,564)</u>
Investing Activities			
Purchase of property, plant and equipment	11	(347,174)	(222,087)
Proceeds from sale of property plant and equipment		-	714
Acquisition of investment in associate	12	-	(137,532)
Acquisition of investment in subsidiary	12	(990)	-
Capital investment in joint venture	12	(30,664)	-
Proceeds from return of investment in joint venture	12	30,664	-
Cash received from contract and placed on restricted deposit	12	(201,178)	-
Payment for performance bond and placed on restricted deposit	12	(109,900)	-
Acquisition of financial assets at fair value through other comprehensive income	13	-	(19,999)
Interest received		206,844	131,100
Cash used in investing activities		<u>(452,398)</u>	<u>(247,804)</u>
Increase in cash and cash equivalents		39,929	492,636
Exchange (losses)/gains on cash and cash equivalents		(47,134)	95,872
Cash and cash equivalents at beginning of year		3,829,935	3,241,427
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	20	<u><u>3,822,730</u></u>	<u><u>3,829,935</u></u>

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(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 Company's registered office is located at 36 Trafalgar Road, Kingston 10.

The principal activity of the Company is the generation and sale of electricity from wind technology.

The Company, together with its interests in an associated company and joint arrangement (Note 12), are referred to as "the Group".

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 put into effect the following IFRS, which are immediately relevant to its operations.

- **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 adoption of these amendments did not have a significant impact on the financial statements of the Group.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(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 2022 or later periods, but were not effective at the year-end date, and which the Group has not early adopted.

- **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 financial statements of 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 financial statements of the Group.
- **Amendment to IFRS 16 – Leases on sale and leaseback** (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The amendment is not expected to have a significant impact on the financial statements of the Group.
- **Amendment to IAS 1 – Non-current liabilities with covenants** (effective for annual periods beginning on or after 1 January 2023). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendment is not expected to have a significant impact on the financial statements of the Group.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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 are equivalent to the 'economic interest' financial statements, and company financial statements. The investment in Flash Holdings Limited (Note 12) 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.

Interest in joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Interest in joint arrangements (continued)

The Group's interest in a joint venture is accounted for in the financial statements using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised. Where an entity loses joint control over a joint venture but retains significant influence, the Group does not remeasure its continued ownership interest at fair value.

When the Group undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Impairment

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate, joint operations, or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments

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

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

Financial assets

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

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

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

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

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

Wigton Windfarm Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets (continued)

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.

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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (Continued)

Financial assets (continued)

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.

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 2023 and 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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (Continued)

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.

(e) 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.

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 power purchase agreement with JPS.

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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(e) Revenue recognition (continued)

Interest income and expense (continued)

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.

(f) Property, plant and equipment and depreciation

All property, plant and equipment (except land) are recorded at cost less accumulated depreciation. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Where significant parts of an item of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts in the carrying amount of the property, plant and equipment as a replacement when it is probable that future economic benefits associated with the parts will flow to the Group and the cost of the parts can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

Land is not depreciated. 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

The useful lives of assets are reviewed and adjusted, as appropriate, at the balance sheet date.

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 disposals are determined by comparing proceeds with the carrying amount and are included in profit or loss.

(g) 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.

Wigton Windfarm Limited

Notes to the Financial Statements

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2. Significant Accounting Policies (Continued)

(h) 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.

(i) Cash and cash equivalent

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

(j) 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.

(k) 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.

(l) Borrowings

Loans are recorded at proceeds received net of fees paid. Finance charges, including direct issue costs are accounted for on an accrual basis to the statement of 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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Leases (as lessee)

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

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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(n) 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.

(o) 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.

(p) Segment information

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

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

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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	
	2023	2022
	\$'000	\$'000
Trade and other receivables	193,764	264,249
Financial asset at fair value through other comprehensive income	9,647	16,890
Cash subject to restrictions	311,078	-
Cash and cash equivalents	3,822,730	3,829,935
	<u>4,337,219</u>	<u>4,111,074</u>

The above table represents a worst-case scenario of credit risk exposure to the Group and to the Company as at 31 March 2023 and 2022.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets

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

Trade receivables

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

Aging analysis of receivables that are past due but not impaired

Receivables that are less than three months past due are considered to have a loss allowance of nil (2022 – nil) based on a probability of default of 0.000%. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics.

As at 31 March 2023, the Group and the Company had current trade and other receivables of \$193,764,000 (2022 – \$264,249,000). The trade and other receivables that were past due amounts to nil (2022 – nil).

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

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

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

As at 31 March 2023, the Group has cash balances held subject to restrictions amounting to \$311,078,000 (2022 - \$nil) (Note 12).

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				Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
At 31 March 2023:					
Accounts payable	42,206	-	-	-	42,206
Lease liabilities	5,325	15,976	88,993	49,150	159,444
Long-term liabilities	300,105	881,292	4,665,609	-	5,847,006
	<u>347,636</u>	<u>897,268</u>	<u>4,754,602</u>	<u>49,150</u>	<u>6,048,656</u>
At 31 March 2022:					
Accounts payable	230,200	-	-	-	230,200
Lease liabilities	4,922	14,766	75,752	72,250	167,690
Long-term liabilities	312,863	918,081	5,840,541	-	7,071,485
	<u>547,985</u>	<u>932,847</u>	<u>5,916,293</u>	<u>72,250</u>	<u>7,469,375</u>

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

(3) Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

	The Company				
	1 to 3 Months	4 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2023:					
Accounts payable	22,635	-	-	-	22,635
Lease liabilities	5,325	15,976	88,993	49,150	159,444
Long-term liabilities	300,105	881,292	4,665,609	-	5,847,006
	<u>328,065</u>	<u>897,268</u>	<u>4,754,602</u>	<u>49,150</u>	<u>6,029,085</u>
At 31 March 2022:					
Accounts payable	230,200	-	-	-	230,200
Lease liabilities	4,922	14,766	75,752	72,250	167,690
Long-term liabilities	312,863	918,081	5,840,541	-	7,071,485
	<u>547,985</u>	<u>932,847</u>	<u>5,916,293</u>	<u>72,250</u>	<u>7,469,375</u>

(c) Market risk

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

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

(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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk

The table below summarises the Group and the Company's balances that are denominated in Jamaican dollar and in different foreign currencies (that are subject to exchange rate risk) at 31 March.

	The Group			
	Jamaican\$ J\$'000	US\$ J\$'000	Euros J\$'000	Total J\$'000
At 31 March 2023:				
Financial Assets				
Financial assets at fair value through other comprehensive income	9,647	-	-	9,647
Accounts receivable	193,764	-	-	193,764
Cash subject to restrictions	-	311,078	-	311,078
Cash and cash equivalents	1,369,039	2,453,691	-	3,822,730
Total financial assets	1,572,450	2,764,769	-	4,337,219
Financial Liabilities				
Accounts payable	39,566	1,820	820	42,206
Lease liabilities	2,008	113,052	-	115,060
Long-term liabilities	4,635,020	-	-	4,635,020
Total financial liabilities	4,676,594	114,872	820	4,792,286
Net financial position	(3,104,144)	2,649,897	(820)	
	Jamaican\$ J\$'000	US\$ J\$'000	Euros J\$'000	Total J\$'000
At 31 March 2022:				
Financial Assets				
Financial assets at fair value through other comprehensive income	16,890	-	-	16,890
Accounts receivable	264,249	-	-	264,249
Cash and cash equivalents	843,069	2,986,866	-	3,829,935
Total financial assets	1,124,208	2,986,866	-	4,111,074
Financial Liabilities				
Accounts payable	174,348	55,547	305	230,200
Lease liabilities	3,428	114,338	-	117,766
Long-term liabilities	5,311,588	-	-	5,311,588
Total financial liabilities	5,489,364	169,885	305	5,659,554
Net financial position	(4,365,156)	2,816,981	(305)	

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk (continued)

	The Company			Total J\$'000
	Jamaican\$ J\$'000	US\$ J\$'000	Euros J\$'000	
At 31 March 2023:				
Financial Assets				
Financial assets at fair value through other comprehensive income	9,647	-	-	9,647
Accounts receivable	193,764	-	-	193,764
Cash subject to restrictions	-	311,078	-	311,078
Cash and cash equivalents	1,369,039	2,453,691	-	3,822,730
Total financial assets	1,572,450	2,764,769	-	4,337,219
Financial Liabilities				
Accounts payable	19,995	1,820	820	22,635
Lease liabilities	2,008	113,052	-	115,060
Long-term liabilities	4,635,020	-	-	4,635,020
Total financial liabilities	4,657,023	114,872	820	4,772,715
Net financial position	(3,084,573)	2,649,897	(820)	
	Jamaican\$ J\$'000	US\$ J\$'000	Euros J\$'000	Total J\$'000
At 31 March 2022:				
Financial Assets				
Financial assets at fair value through other comprehensive income	16,890	-	-	16,890
Accounts receivable	264,249	-	-	264,249
Cash and cash equivalents	843,069	2,986,866	-	3,829,935
Total financial assets	1,124,208	2,986,866	-	4,111,074
Financial Liabilities				
Accounts payables	174,348	55,547	305	230,200
Lease liabilities	3,428	114,338	-	117,766
Long-term liabilities	5,311,588	-	-	5,311,588
Total financial liabilities	5,489,364	169,885	305	5,659,554
Net financial position	(4,365,156)	2,816,981	(305)	

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 4% devaluation and 1% revaluation (2022 – 8% 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			
	%	Effect on	%	Effect on
	Change in	Profit before	Change in	Profit before
	Currency Rate	Taxation	Currency Rate	Taxation
	2023	2023	2022	2022
	%	\$'000	%	\$'000
Currency:				
USD	+4%	105,996	+8%	225,358
USD	-1%	(26,499)	-2%	(56,340)

(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 6% (2022 - 5%) increase and decrease in equity prices (with all other variables held constant) is an increase and decrease of \$579,000 for the Group and Company (2022 - \$845,000).

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(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.

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					Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
At 31 March 2023:						
Financial Assets						
Financial assets at fair value through other comprehensive income	-	-	-	-	9,647	9,647
Accounts receivable	-	-	-	-	193,764	193,764
Cash subject to restrictions	-	311,078	-	-	-	311,078
Cash and cash equivalents	3,822,695	-	-	-	35	3,822,730
Total assets	3,822,695	311,078	-	-	203,446	4,337,219
Financial Liabilities						
Accounts payable	-	-	-	-	42,206	42,206
Lease liabilities	3,167	9,866	62,689	39,338	-	115,060
Long term liabilities	217,000	651,000	3,767,020	-	-	4,635,020
Total liabilities	220,167	660,866	3,829,709	39,338	42,206	4,792,286
Total interest repricing gap	3,602,528	(349,788)	(3,829,709)	(39,338)	161,240	(455,067)
Cumulative repricing gap	3,602,528	3,252,740	(576,969)	(616,307)	(455,067)	

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

	The Company					Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
At 31 March 2023:						
Financial Assets						
Financial assets at fair value through other comprehensive income	-	-	-	-	9,647	9,647
Accounts receivable	-	-	-	-	193,764	193,764
Cash subject to restrictions	-	311,078	-	-	-	311,078
Cash and cash equivalents	3,822,695	-	-	-	35	3,822,730
Total assets	3,822,695	311,078	-	-	203,446	4,337,219
Financial Liabilities						
Accounts payable	-	-	-	-	22,635	22,635
Lease liabilities	3,167	9,866	62,689	39,338	-	115,060
Long term liabilities	217,000	651,000	3,767,020	-	-	4,635,020
Total liabilities	220,167	660,866	3,829,709	39,338	22,635	4,772,715
Total interest repricing gap	3,602,528	(349,788)	(3,829,709)	(39,338)	180,811	(435,496)
Cumulative repricing gap	3,602,528	3,252,740	(576,969)	(616,307)	(435,496)	

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

	The Group and the Company					Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
At 31 March 2022:						
Financial Assets						
Financial assets at fair value through other comprehensive income	-	-	-	-	16,890	16,890
Accounts receivable	-	-	-	-	264,249	264,249
Cash and cash equivalents	3,829,900	-	-	-	35	3,829,935
Total assets	3,829,900	-	-	-	281,174	4,111,074
Financial Liabilities						
Accounts payable	-	-	-	-	230,200	230,200
Lease liabilities	2,710	8,443	50,750	55,863	-	117,766
Long term liabilities	228,280	658,128	4,425,180	-	-	5,311,588
Total liabilities	230,990	666,571	4,475,930	55,863	230,200	5,659,554
Total interest repricing gap	3,598,910	(666,571)	(4,475,930)	(55,863)	50,974	(1,548,480)
Cumulative repricing gap	3,598,910	2,932,339	(1,543,591)	(1,599,454)	(1,548,480)	

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

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

The sensitivity of the profit or loss is the effect of the assumed changes in interest rate on net income based on the floating rate of non-trading financial assets and financial liabilities. The sensitivity of other comprehensive income is calculated by revaluing fixed rate financial assets at fair value through other comprehensive income for the effects of the assumed changes in interest rates. The Group and the Company does not have financial assets at fair value through other comprehensive income that are subject to interest rate risk.

	The Group and the Company			
	2023		2022	
	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 (2022: -50)	(30,020)	-	(30,173)	-
Increase: 100 (2022: +300)	60,041	-	181,036	-
Change in basis points (US\$):				
Decrease: 50 (2022: -50)	(12,268)	-	(14,934)	-
Increase: 100 (2022: +150)	24,537	-	44,803	-

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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).

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 the 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 and for the years ended 31 March 2023 and 2022.

Wigton Windfarm Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Assumptions in Applying Accounting Policies

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.

In 2023, it was established that the Company is subject to the 33 1/3% tax rate that is applicable to regulated entities. Accordingly, the financial statements as at 1 April 2021 and for the year ended 31 March 2022 were restated as discussed in Note 28. In addition, it was established that the Company is a tax-exempt entity from 2014 up to the period prior to its public listing in May 2019 (as a subsidiary of Petroleum Corporation of Jamaica, a government entity). As a result of this the deferred taxes previously recognised were reversed while tax losses accumulated up to 2013 were assessed to be still available for set off up to 2023. Beginning taxable year 2024, the Company is subject to the 25% tax rate (see Note 29).

In addition, management submitted its claim to recover income taxes previously paid during the taxable years where the Company was a government subsidiary (i.e., taxable years prior to May 2019). The tax regulator has approved this refund in 2023 and as such, a tax recoverable amount of \$282,966,000 was recognised and is presented as part of tax recoverable balances as at 31 March 2023.

The tax balances as at and for the year ended 31 March 2023 and 2022 are shown below:

	The Group and the Company	
	2023	2022
	\$'000	\$'000
Statement of financial position -		
Taxation recoverable	281,330	64,398
Deferred tax liabilities	1,458,241	962,359
	<u>1,739,571</u>	<u>1,026,757</u>
Statement of comprehensive income -		
Income tax expense	327,948	104,557
	<u>327,948</u>	<u>104,557</u>

(b) Existence of significant influence

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

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

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

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

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

As at 31 March 2023, the recoverable amount of the investment amounting to \$165,187,000 (2022 - \$187,524,000) was determined based on value-in-use calculations which require the use of the following assumptions:

- Terminal value growth rates of 3.0% (2022 - 2.5%)
- Discount rate of 18% (2022 - 17%)

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

The carrying value of the investment at year-end is shown below:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investment in associate	128,104	137,492	137,532	137,532

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 2023, the net book values of property, plant and equipment amounts to \$6,059,000,000 (2022 - \$6,442,605,000). Depreciation expense for the year ended 31 March 2023 amounts to \$730,756,000 (2022 - \$692,815,000).

(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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

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

(e) Determining the lease term (continued)

As at 31 March 2023, the Group has lease liabilities amounting to \$115,060,000 (2022 - \$117,766,000) and right-of-use assets amounting to \$100,660,000 (2022 - \$105,698,000).

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.

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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Financial Reporting (Continued)

	2023			
	Phase I \$'000	Phase II \$'000	Phase III \$'000	Total \$'000
Gross external revenues	787,484	482,048	948,903	2,218,435
Other income	20,174	-	4,204	24,378
Allocated other income	99,700	86,695	115,594	301,989
Total revenue	907,358	568,743	1,068,701	2,544,802
Segment Results	523,288	76,288	465,769	1,065,345
Interest expense				(424,371)
Share in net profit of associate				(9,388)
Share in net profit of joint venture				5,007
Profit before tax				636,593
Taxation				(327,948)
Net profit				308,645
Segment Assets	234,335	2,136,039	3,601,447	5,971,821
Unallocated Assets				5,003,406
Total assets				10,975,227
Segment liabilities	1,550,805	1,358,834	1,838,433	4,748,072
Unallocated liabilities				1,797,946
Total liabilities				6,546,018
Other segment items-				
Capital expenditure	114,617	99,667	132,890	347,174
Depreciation	141,464	263,946	325,347	730,757

Wigton Windfarm Limited

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31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Financial Reporting (Continued)

	Restated 2022			
	Phase I \$'000	Phase II \$'000	Phase III \$'000	Total \$'000
Gross external revenues	752,798	459,242	837,192	2,049,232
Other income	20,174	-	7,554	27,728
Allocated other income	75,236	65,422	87,229	227,887
Total revenue	848,208	524,664	931,975	2,304,847
Segment Results	487,184	58,821	331,486	877,491
Interest expense				(335,494)
Share in net loss of associate				(40)
Profit before tax				541,957
Taxation				(104,557)
Net profit				437,400
Segment Assets	430,561	2,338,876	3,882,277	6,651,714
Unallocated Assets				4,289,675
Total assets				10,941,389
Segment liabilities	1,775,935	1,553,814	2,096,507	5,426,256
Unallocated liabilities				1,335,066
Total liabilities				6,761,322
Other segment items-				
Capital expenditure	73,321	63,757	85,009	222,087
Depreciation	128,826	253,310	310,679	692,815

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

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

The primary customer of the Group is JPS which operates in Jamaica.

Wigton Windfarm Limited

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5. Segment Financial Reporting (Continued)

	2023 \$'000	Restated 2022 \$'000
Reconciliation of unallocated amounts:		
Unallocated assets -		
Property plant and equipment	367,155	148,584
Right-of-use assets	1,431	2,715
Pension plan assets	7,343	10,014
Investment in associate	128,104	137,492
Financial asset at fair value through other comprehensive income	9,647	16,890
Inventories	32,591	22,563
Accounts receivable	41,998	57,084
Taxation recoverable	281,330	64,398
Cash subject to restrictions	311,078	-
Cash and cash equivalents	3,822,729	3,829,935
Total unallocated assets	<u>5,003,406</u>	<u>4,289,675</u>
Unallocated liabilities -		
Accounts payable	306,465	306,121
Post-employment benefit obligation	8,837	20,919
Lease liabilities	2,008	3,098
Capital grant	22,395	42,569
Deferred tax liabilities	1,458,241	962,359
Total unallocated liabilities	<u>1,797,946</u>	<u>1,335,066</u>

6. Other Income

	<u>The Group</u>		<u>The Company</u>	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Grant amortisation (Note 23)	20,174	20,174	20,174	20,174
Interest income	206,844	131,100	206,844	131,100
Income from sale of carbon credits	142,153	-	142,153	-
Miscellaneous	4,206	8,469	9,213	8,469
Foreign exchange (loss)/gain	(47,010)	95,872	(47,010)	95,872
	<u>326,367</u>	<u>255,615</u>	<u>331,374</u>	<u>255,615</u>

In 2023, the Company entered into contracts with third party entities for the sale of the Company's carbon credits arising from its windfarm operations.

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7. Expenses by Nature

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Auditors' remuneration	2,772	2,645	2,772	2,645
Depreciation (Note 11)	730,757	692,815	730,757	692,815
Directors' emoluments – Fees (Note 19)	12,153	12,600	12,153	12,600
Insurance	216,078	200,995	216,078	200,995
Other expense	139,513	109,740	132,014	109,740
Professional fees	23,176	14,082	23,176	14,082
Rental and utility charges	10,770	10,214	10,770	10,214
Repairs and maintenance	73,099	103,651	73,099	103,651
Staff costs (Note 8)	188,252	212,421	188,252	212,421
Security costs	11,813	11,691	11,813	11,691
Amortisation of right-of-use assets (Note 25)	14,513	13,151	14,513	13,151
Electricity	56,561	43,351	56,561	43,351
	<u>1,479,457</u>	<u>1,427,356</u>	<u>1,471,958</u>	<u>1,427,356</u>

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

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cost of sales	860,330	819,572	860,330	819,572
General administrative expenses	619,127	607,784	611,628	607,784
	<u>1,479,457</u>	<u>1,427,356</u>	<u>1,471,958</u>	<u>1,427,356</u>

8. Staff Costs

	The Group and the Company	
	2023 \$'000	2022 \$'000
Salaries and wages	160,789	178,975
Payroll taxes – Employer's Contribution	16,845	14,404
Pension and other post-employment benefits (Note 15)	10,618	14,782
Other	-	4,260
	<u>188,252</u>	<u>212,421</u>

The average number of employees in 2023 was 29 (2022 - 27).

Wigton Windfarm Limited

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9. Finance Expense, net

	The Group and the Company	
	2023	2022
	\$'000	\$'000
Amortisation of upfront fees on loan (Note 24)	47,673	15,734
Interest charge on lease liability (Note 25)	9,169	5,771
Interest expense on loans (Note 24)	367,504	442,165
Gain on restatement of long-term liabilities (Note 24)	-	(128,176)
Others	25	-
	<u>424,371</u>	<u>335,494</u>

10. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes and comprises income tax at 33 1/3%. Refer to Note 29 for a description of the subsequent event detailing incoming changes to the applicable tax rate that would be used from financial year ending 31 March 2024 onwards.

	The Group and the Company	
	2023	Restated 2022
	\$'000	\$'000
Current tax	115,282	4,942
Over-accrual of prior years' taxes	(282,966)	-
Deferred taxation (Note 16)	495,632	99,615
Income tax (credit)/expense	<u>327,948</u>	<u>104,557</u>

Tax recoverable amount

In 2020, management submitted its claim to recover income taxes previously paid during the taxable years while the Company was a government subsidiary of the Petroleum Corporation of Jamaica (and therefore not subject to tax, covering taxable years prior to May 2019). This tax recoverable amount was not previously recognised in the financial statements in line with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, as the recognition is contingent on the confirmation from Tax Administration Jamaica.

In 2023, after establishing that the Company is a tax-exempt entity prior to its public listing in May 2019, the Tax Administration Jamaica formally acknowledged that the Company is eligible for the refund of income taxes previously paid and as such, a tax recoverable amount of \$282,966,000 was recognised and is presented as part of tax recoverable balances as at 31 March 2023.

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10. Taxation (Continued)

The tax on the Group and Company's profit before tax differs from the theoretical amount that would arise using the basic statutory tax rate of 33 1/3% as follows:

	The Group		The Company	
	2023 \$'000	Restated 2022 \$'000	2023 \$'000	Restated 2022 \$'000
Profit before tax	636,593	541,957	653,480	541,997
Tax calculated at statutory tax rate	212,198	180,652	217,827	180,666
Adjusted for the effects of:				
Income not subject to tax	(6,725)	(6,724)	(6,725)	(6,724)
Expenses not deductible for tax purposes	21,388	11,595	21,388	11,595
Over-accrual of prior years' taxes	(282,966)	-	(282,966)	-
Other charges and allowances, net	384,053	(80,966)	378,424	(80,980)
Tax charge	327,948	104,557	327,948	104,557

As at 31 March 2023, subject to agreement with the Taxpayer Audit and Assessment Department, the Group has tax losses of \$nil (2022 - \$53,374,000) to carry forward indefinitely against future taxable income.

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11. Property, Plant and Equipment

	The Group and the Company							
	Land \$'000	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 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
Additions	243,678	-	3,198	99,385	913	-	-	347,174
Disposal	-	-	(1,668)	-	(27)	-	-	(1,695)
At 31 March 2023	243,678	11,231,324	111,653	1,076,088	110,512	100,032	54,866	12,928,153
Accumulated Depreciation -								
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
Charge (Note 7)	-	561,566	7,909	139,991	11,824	5,007	4,460	730,757
Disposal	-	-	(1,654)	-	(19)	-	-	(1,673)
At 31 March 2023	-	5,988,587	93,453	627,631	81,859	33,092	44,531	6,869,153
Net Book Value -								
31 March 2023	243,678	5,242,737	18,200	448,457	28,653	66,940	10,335	6,059,000
31 March 2022	-	5,804,303	22,925	489,063	39,572	71,947	14,795	6,442,605

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12. Investment in Associate and Joint Arrangements

Investment in associate

In March 2022, the Company acquired 21% of the shares of Flash Holdings Limited. Flash Holdings Limited, incorporated on 19 August 2021, is a holding company registered in St. Lucia.

The shareholders' agreement also grants the Company an equivalent share in Flash's wholly owned subsidiary, Flash Motors Company Limited. Flash Motors Company Limited, incorporated on 17 September 2021, is an operating entity registered in Jamaica and is involved in selling and distributing electric vehicles in Jamaica, Trinidad & Tobago, and Guyana.

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

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

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 April	137,492	-	137,532	-
Investments made during the year	-	137,532	-	137,532
Share in net loss	(9,388)	(40)	-	-
At 31 March	128,104	137,492	137,532	137,532

The associate's year-end is 31 March.

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

	2023 \$'000	2022 \$'000
Statement of financial position		
Total assets	98,408	137,547
Total liabilities	(1,484)	(175)
Net assets	96,924	137,372
Statement of comprehensive income		
Revenues	222,652	-
Expenses	263,217	(190)
Loss for the period being Total comprehensive income	(40,565)	(190)

As at 31 March 2023 and 2022, management has not recognised any impairment loss on the investment in associate.

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12. Investment in Associate and Joint Arrangements (Continued)

Investment in associate (continued)

As at 31 March 2023, the recoverable amount of the investment amounts to \$165,187,000 (2022 - \$187,524,000) based on value-in-use calculation. The value-in-use calculation considered the terminal value growth rate of 3.0% (2022 - 2.5%) and a discount rate of 18% (2022 - 17%).

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

	Impact on recoverable amount	
	2023 \$'000	2022 \$'000
Terminal value growth rate		
+ 1%	6,202	7,489
- 1%	(5,446)	(6,725)
Discount rate		
+ 1%	(19,665)	(28,274)
- 1%	22,842	33,317

Investment in joint operations

On 5 April 2022, the Company and Innovative Energy Company DBA IEC SPEI Limited (formerly IEC SPEI Limited) ("IEC") entered into a joint agreement (as joint operators) 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.

The joint arrangement was registered as Wigton-IEC Joint Venture under and in accordance with the Registration of Business Names Act on 24 May 2022.

Wigton's contribution to capital is \$600,000, for a 60% stake in the joint arrangement. The Company holds three (3) of the five (5) seats in the joint operations' board.

On 13 March 2023, the Wigton-IEC Joint Venture entered into a contract with the Ministry of Agriculture and Fisheries (MOAF) for the design, supply, and installation of distributive solar photovoltaic systems (including storage) at certain Essex Valley Agriculture Development Project locations which the Company and IEC will execute as a project of the Wigton-IEC Joint Venture.

The agreement between the joint operators provides that on a project-by-project basis, the parties can agree to change the contribution percentage. For the MOAF project, the joint operators agreed that the Company's capital contribution would be increased to \$990,000 (for a 99% share on the MOAF project).

The Company's interest in assets and liabilities of the joint operations are included in the consolidated financial statements under their respective asset categories.

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12. Investment in Associate and Joint Arrangements (Continued)

Investment in joint operations (continued)

As at 31 March 2023, total cash subject to restrictions held by the Group and Company in relation to the MOAF project consists of the following:

	Amount \$'000
(a) Performance security	109,900
(b) Amount received from MOAF, pending satisfaction of performance obligations (Note 21)	201,178
	<u>311,078</u>

- (a) The Company, as a party to the contract, is required to post an amount totaling \$109,900,000 as performance security. This amount will be released upon completion of the contract.
- (b) As at 31 March 2023, the Wigton-IEC Joint Venture, through the Company, has received an amount totaling \$201,178,000 in line with the stipulations of the contract. This is presented as part of restricted cash with a corresponding contract liability recognised (Note 21) until such time that the Company and IEC, through the Wigton-IEC Joint Venture, has satisfied its performance obligations in relation to the contract phase. Consequently, at such time, Wigton-IEC Joint Venture will recognise the amount as revenue. As at 31 March 2023, no revenues have been recognised in line with the contract liabilities.

Investment in joint venture

On 5 April 2022, the Company and IEC entered into a single-project joint venture agreement where the Company's role is primarily the provision of project management and project oversight services in relation to the design, supply, install, test, and commission of a two-megawatt photovoltaic system at the Norman Manley International Airport (NMIA) in Kingston, Jamaica.

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

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 April	-	-	-	-
Investments made during the year	30,664	-	30,664	-
Return of capital and share of profit	(35,671)	-	(30,664)	-
Share in net profit	5,007	-	-	-
At 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 December 2022, the NMIA project was deemed complete, and the Company received back its capital investment from the joint venture along with the Company's share in the net profit arising from the project amounting to \$5,007,000.

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13. Financial Asset at Fair Value Through Other Comprehensive Income

In August 2022, 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	
	2023	2022
	\$'000	\$'000
At 1 April	16,890	-
Investments made during the year	-	19,999
Changes in fair value recognised in other comprehensive income	(7,243)	(3,109)
At 31 March	<u>9,647</u>	<u>16,890</u>

14. Earnings per Stock Unit

Basic earnings per stock unit 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	
	2023	Restated 2022
	\$'000	\$'000
Net profit attributable to shareholders	<u>308,645</u>	<u>437,400</u>
Weighted average number of ordinary shares in issue ('000)	<u>11,000,000</u>	<u>11,000,000</u>
Basic earnings per stock unit	<u>\$0.03</u>	<u>\$0.04</u>

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15. Pension and Other Post-Employment Benefits

	The Group and the Company	
	2023	2022
	\$'000	\$'000
Amounts recognised in the statement of financial position -		
Pension plan assets	(7,343)	(10,014)
Post-employment benefit obligation	8,837	20,919
Amounts recognised in profit or loss -		
Pension plan asset	6,554	7,875
Post-employment benefit obligation	4,064	6,907
Total, included in staff costs (Note 8)	<u>10,618</u>	<u>14,782</u>
Amounts recognised in other comprehensive income -		
Pension plan asset	7,961	(6,622)
Post-employment benefit obligation	(15,956)	(18,956)
	<u>(7,995)</u>	<u>(25,578)</u>

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	
	2023	2022
	\$'000	\$'000
Fair value of plan assets	(48,942)	(107,579)
Present value of funded obligations	41,599	97,565
Asset recognised in the statement of financial position	<u>(7,343)</u>	<u>(10,014)</u>

Wigton Windfarm Limited

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

Pension benefits (Continued)

The movement in the account during the year is shown in the table below:

	Present Value of the Defined Benefit Obligation \$'000	Fair Value of Plan Assets \$'000	Net Amount \$'000
At 1 April 2021	110,237	(109,419)	818
Amounts recognised in profit or loss -			
Current service cost	8,510	-	8,510
Interest cost/(income)	8,462	(9,097)	(635)
	16,972	(9,097)	7,875
Amounts recognised in other comprehensive income -			
Losses from change in financial assumptions	4,438	-	4,438
Experience (losses)/gains	(17,099)	6,039	(11,060)
	(12,661)	6,039	(6,622)
Contributions	4,837	(16,922)	(12,085)
Benefits paid	(21,820)	21,820	-
At 31 March 2022	97,565	(107,579)	(10,014)
Amounts recognised in profit or loss -			
Current service cost	8,012	-	8,012
Interest cost/(income)	7,778	(9,236)	(1,458)
	15,790	(9,236)	6,554
Amounts recognised in other comprehensive income -			
Losses from change in financial assumptions	(75,100)	-	(75,100)
Effect of asset ceiling	-	67,353	67,353
Experience (losses)/gains	(864)	16,572	15,708
	(75,964)	83,925	7,961
Contributions	4,890	(16,734)	(11,844)
Benefits paid	(682)	682	-
At 31 March 2023	41,599	(48,942)	(7,343)

The Group has a surplus pension asset that is not recognised as a prepayment, on the basis that future economic benefits are not available to the Group in the form of a reduction in future contributions or a cash refund.

Expected future employer contributions to the pension scheme for the year ending 31 March 2023 amount to \$17,147,000 (2022 - \$17,561,000).

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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			
	2023		2022	
	\$'000	%	\$'000	%
Equity Fund	30,378	26	31,949	31
Fixed Income Fund	14,829	13	25,890	24
Foreign Currency Fund	20,169	17	20,964	19
Mortgage & Real Estate Fund	7,515	6	-	-
Money Market Fund	6,160	5	-	-
CPI Index Fund	37,491	33	26,238	24
Other	(247)	-	2,538	2
	116,295	100	107,579	100
Impact of asset ceiling	(67,353)	-	-	-
	48,942	100	107,579	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 amount recognised in the statement of financial position arising from other post-employment benefit obligation amounts to \$8,837,000 (2022 - \$20,919,000).

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

	The Group and the Company	
	2023 \$'000	2022 \$'000
At 1 April	20,919	33,158
Amounts recognised in profit or loss -		
Current service cost	2,398	4,096
Interest cost	1,666	2,811
	4,064	6,907
Amounts recognised in other comprehensive income -		
Losses from change in financial assumptions	(15,405)	5,041
Experience losses	(551)	(23,997)
	(15,956)	(18,956)
Benefits paid	(190)	(190)
At 31 March	8,837	20,919

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

Principal actuarial assumptions

The principal actuarial assumptions used were as follows:

	The Group and the Company	
	2023	2022
Discount rate	13.0%	8.0%
Future salary increases	6.0%	5.5%
Future pension increases	0.0%	0.0%
Inflation rate	5.5%	5.0%
Medical cost rate	6.5%	6.0%

The sensitivity of the defined benefit obligation to changes in the principal assumptions is shown below:

	The Group and the Company			
	Pension benefits		Other post-employment benefits	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Discount rate				
+1%	(5,977)	(21,721)	(1,375)	(4,529)
-1%	8,161	29,457	1,768	6,287
Future salary increase				
+1%	5,221	17,481	-	-
-1%	(4,279)	(14,692)	-	-
Future pension increase				
+1%	2,636	10,107	-	-
-1%	-	-	-	-
Medical cost rate				
+1%	-	-	1,872	6,357
-1%	-	-	(1,461)	(4,638)

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)

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.

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 2023 were invested in the Equity Fund.

The weighted average duration of the pension defined benefit obligation is 44 years, and the weighted average duration of the medical defined benefit obligation is 36 years.

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16. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 33 1/3%.

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

	<u>The Group and the Company</u>	
	2023	Restated 2022
	\$'000	\$'000
At 1 April	962,359	855,254
Charged to profit or loss (Note 10)	495,632	99,615
Credited to other comprehensive income	250	7,490
At 31 March	<u>1,458,241</u>	<u>962,359</u>

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:

	<u>The Group and the Company</u>	
	2023	Restated 2022
	\$'000	\$'000
Deferred income tax assets	46,960	72,827
Deferred income tax liabilities	(1,505,201)	(1,035,186)
	<u>(1,458,241)</u>	<u>(962,359)</u>

The timing of recoverability and settlement of recognised deferred income tax assets and liabilities, respectively, that are assessed to be more than 12 months from year-end, are shown below:

	<u>The Group and the Company</u>	
	2023	Restated 2022
	\$'000	\$'000
Deferred income tax assets	44,748	65,054
Deferred income tax liabilities	(1,485,970)	(1,028,265)

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(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Income Taxes (Continued)

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

	The Group and the Company					Total \$'000
	Pension Plan Asset \$'000	Unrealised Foreign Exchange Losses/ (Gains) \$'000	Accelerated Tax Depreciation \$'000	Right-of-Use Asset \$'000	Interest Receivable \$'000	
Deferred tax liabilities -						
At 1 April 2021, as restated	273	381,305	(1,282,740)	(49,979)	(466)	(951,607)
Recognised in profit or loss	(1,403)	(388,022)	293,046	14,746	261	(81,372)
Recognised in other comprehensive income	(2,207)	-	-	-	-	(2,207)
At 31 March 2022, as restated	(3,337)	(6,717)	(989,694)	(35,233)	(205)	(1,035,186)
Recognised in profit or loss	(1,763)	(8,953)	(460,275)	1,680	(3,357)	(472,668)
Recognised in other comprehensive income	2,653	-	-	-	-	2,653
At 31 March 2023	(2,447)	(15,670)	(1,449,969)	(33,553)	(3,562)	(1,505,201)

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16. Deferred Income Taxes (Continued)

	The Group and the Company					
	Interest Payable \$'000	Post- Employment Benefit Obligation \$'000	Lease Liability \$'000	Tax Losses \$'000	Others \$'000	Total \$'000
Deferred tax assets -						
At 1 April 2021, as restated	6,920	11,053	54,103	22,733	1,544	96,353
Recognised in profit or loss	(784)	2,239	(14,848)	(4,942)	92	(18,243)
Recognised in other comprehensive income	-	(6,319)	-	-	1,036	(5,283)
At 31 March 2022, as restated	6,136	6,973	39,255	17,791	2,672	72,827
Recognised in profit or loss	(5,532)	1,291	(902)	(17,791)	(30)	(22,964)
Recognised in other comprehensive income	-	(5,318)	-	-	2,415	(2,903)
At 31 March 2023	604	2,946	38,353	-	5,057	46,960

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16. Deferred Income Taxes (Continued)

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

	The Group and the Company		
	2023		
	Before Tax \$'000	Tax Effect \$'000	After Tax \$'000
Changes in the fair value of financial assets at fair value through other comprehensive income (Note 13)	7,243	(2,415)	4,828
Remeasurements of pension and other post-employment benefits (Note 15)	(7,995)	2,665	(5,330)
	<u>(752)</u>	<u>250</u>	<u>(502)</u>
	Restated 2022		
	Before Tax \$'000	Tax Effect \$'000	After Tax \$'000
Changes in the fair value of financial assets at fair value through other comprehensive income (Note 13)	3,109	(1,036)	2,073
Remeasurements of pension and other post-employment benefits (Note 15)	(25,578)	8,526	(17,052)
	<u>(22,469)</u>	<u>7,490</u>	<u>(14,979)</u>

17. Accounts Receivable

	The Group and the Company	
	2023 \$'000	2022 \$'000
Trade	180,742	254,710
Prepayments	24,884	44,773
Taxation recoverable - General Consumption Tax	4,096	2,772
Other	13,022	9,539
	<u>222,744</u>	<u>311,794</u>

18. Inventories

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Solar panels	13,062	-	-	-
Oil and other supplies	19,529	22,563	19,529	22,563
	<u>32,591</u>	<u>22,563</u>	<u>19,529</u>	<u>22,563</u>

There was no write-down of inventories for the years ended 31 March 2023 and 2022.

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

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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	
	2023	2022
	\$'000	\$'000
Wages and salaries	41,093	45,944
Pension benefits	3,383	3,534
Payroll taxes – Employer's Contribution	2,246	2,848
Other post-employment benefits	3120	1,066
Other	8,207	20,045
	<u>58,049</u>	<u>73,437</u>

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

	The Group and the Company	
	2023	2022
	\$'000	\$'000
Directors' emoluments –		
Director fees (Note 7)	12,153	12,600
Management remuneration	19,072	21,530
	<u>19,072</u>	<u>21,530</u>

20. Cash and Cash Equivalents

	The Group and the Company	
	2023	2022
	\$'000	\$'000
Cash at bank and in hand	253,308	182,085
Short-term deposits	1,400,996	582,772
Resale agreements	2,168,426	3,065,078
	<u>3,822,730</u>	<u>3,829,935</u>

The weighted average effective interest rate at the year-end was 4.33% (2022 – 3.75%) on US\$, 6.00% (2022 – 5.03%) on J\$ short-term deposits.

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21. Accounts Payable

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Accruals	38,037	41,222	38,037	41,222
Contract liabilities (Note 12)	201,178	-	201,178	-
General Consumption Tax	25,044	34,699	25,044	34,699
Transaction fee payable - bond restatement	-	163,618	-	163,618
Other payables	42,206	66,582	22,635	66,582
	<u>306,465</u>	<u>306,121</u>	<u>286,894</u>	<u>306,121</u>

Contract liabilities

As disclosed in Note 12, as at 31 March 2023, the Wigton-IEC Joint Venture, through the Company, has received an amount totaling \$201,178,000 in line with the stipulations of the contract. This is presented as part of restricted cash with a corresponding liability recognised until such time that the Company and IEC, through the Wigton-IEC Joint Venture, has satisfied its performance obligations in relation to the contract phase. Consequently, at such time, Wigton-IEC Joint Venture will recognise the amount as revenue.

As at 31 March 2023, no revenues have been recognised in line with the recognised contract liabilities.

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	<u>11,000,000</u>	<u>11,000,000</u>	<u>202,598</u>	<u>202,598</u>

On 22 May 2019, the Group became a listed entity on 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 as at and for the year ended 31 March 2023 and 2022.

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31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

23. Capital Grants

This represents a 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	
	2023	2022
	\$'000	\$'000
Cost of grant	403,495	403,495
Accumulated amortisation -		
At 1 April	360,926	340,752
Amortisation charge for the year (Note 6)	20,174	20,174
At 31 March	381,100	360,926
Net book value	22,395	42,569

24. Long-Term Liabilities

These represent capital raised by the Group by way of a placement of a series of JMD-denominated senior secured bonds:

	Bond A	Bond B
Principal - payable in quarterly instalments	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

The table below details changes in the Group's liabilities during the year:

	The Group and the Company	
	2023	2022
	\$'000	\$'000
At 1 April	5,311,588	5,600,001
Interest charges for the year (Note 9)	367,504	442,165
Amortisation of upfront fees (Note 9)	47,673	15,734
Payment of principal	(868,000)	-
Payment of interest	(385,503)	(444,339)
Additional loans received during the year	161,758	-
Gain on restatement of long-term liabilities (Note 9)	-	(128,176)
Additional upfront fees on loan	-	(173,797)
At 31 March	4,635,020	5,311,588
Less: Current portion	(869,812)	(886,408)
	3,765,208	4,425,180

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31 March 2023

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24. Long-Term Liabilities (Continued)

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

	The Group and the Company	
	2023	2022
	\$'000	\$'000
Senior Secured Bonds:		
Bond A	2,163,996	2,877,486
Bond B	1,899,990	1,899,990
Unamortised upfront fees on loan	(298,778)	(352,296)
	<u>3,765,208</u>	<u>4,425,180</u>
Principal payable	868,000	868,000
Interest payable	1,812	18,408
	<u>4,635,020</u>	<u>5,311,588</u>

The maturity profile of the Group's borrowings at the end of the reporting period are as follows:

	The Group and the Company	
	2023	2022
	\$'000	\$'000
0-12 months	869,812	886,408
1-5 years	3,765,208	4,425,180
	<u>4,635,020</u>	<u>5,311,588</u>

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

	The Group and the Company			
	Carrying amount		Fair value	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Long-term liabilities	<u>3,765,208</u>	<u>4,425,180</u>	<u>5,545,259</u>	<u>6,688,046</u>

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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	
	2023	2022
	\$'000	\$'000
Right-of-use assets		
Land and office space	100,660	105,698
Lease Liabilities		
Current	19,802	19,802
Non-current	95,258	97,964
	<u>115,060</u>	<u>117,766</u>

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

	The Group and the Company	
	Lease liabilities	Right-of-use assets
	\$'000	\$'000
At 1 April 2021	162,310	149,936
Impact of remeasurements	(31,087)	(31,087)
Payment of lease principal	(19,228)	-
Interest charges for the year (Note 9)	5,771	-
Amortisation of right-of-use assets (Note 7)	-	(13,151)
At 31 March 2022	<u>117,766</u>	<u>105,698</u>
Impact of remeasurements	10,496	10,496
Payment of lease principal	(21,204)	-
Interest charges for the year (Note 9)	9,169	-
Amortisation of right-of-use assets (Note 7)	-	(14,513)
Others	(1,167)	(1,021)
At 31 March 2023	<u>115,060</u>	<u>100,660</u>

26. Dividends

	2023	2022
	\$'000	\$'000
Amount declared	60,005	200,200
Dividend per stock unit	0.0055	0.0182
Declaration date	1 December 2022	13 December 2021
Payment date	<u>6 January 2023</u>	<u>17 January 2022</u>

There were no dividends declared subsequent to the year end.

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27. Cash Flows from Operating Activities

(a) The Group

	2023	Restated
	\$'000	2022
		\$'000
Net profit	308,645	437,400
Items not affecting cash:		
Depreciation (Notes 7 and 11)	730,757	692,815
Gain on sale of property, plant and equipment	-	(650)
Share in net loss of associate (Note 12)	9,388	40
Share in net profit of joint venture (Note 12)	(5,007)	-
Interest income (Note 6)	(206,844)	(131,100)
Interest expense on loans (Notes 9 and 24)	367,504	442,165
Interest charge on lease liability (Notes 9 and 25)	9,169	5,771
Gain on restatement of long-term liabilities (Notes 9 and 24)	-	(128,176)
Pension plan liability	6,554	7,875
Post-employee benefit obligation	4,064	6,907
Taxation (Note 10)	327,948	104,557
Amortisation of upfront fees on loan (Notes 9 and 24)	47,673	15,734
Amortisation of grant (Notes 6 and 23)	(20,174)	(20,174)
Amortisation of right-of-use asset (Note 25)	14,513	13,151
Exchange loss/(gain) on foreign balances	47,010	(95,872)
	<u>1,641,200</u>	<u>1,350,443</u>
Change in operating assets and liabilities:		
Inventory	(10,028)	(14,530)
Accounts receivable	89,050	122,257
Accounts payable	344	224,344
	<u>1,720,566</u>	<u>1,682,514</u>
Contributions to retirement fund, net of benefit payments	(12,034)	(12,275)
Tax paid	(49,248)	(92,235)
Cash provided by operating activities	<u><u>1,659,284</u></u>	<u><u>1,578,004</u></u>

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27. Cash Flows from Operating Activities (Continued)

(b) The Company

	2023 \$'000	Restated 2022 \$'000
Net profit	325,532	437,440
Items not affecting cash:		
Depreciation (Notes 7 and 11)	730,757	692,815
Gain on sale of property, plant and equipment	-	(650)
Interest income (Note 6)	(206,844)	(131,100)
Interest expense on loans (Notes 9 and 24)	367,504	442,165
Interest charge on lease liability (Notes 9 and 25)	9,169	5,771
Gain on restatement of long-term liabilities (Notes 9 and 24)	-	(128,176)
Pension plan liability	6,554	7,875
Post-employee benefit obligation	4,064	6,907
Taxation (Note 10)	327,948	104,557
Amortisation of upfront fees on loan (Notes 9 and 24)	47,673	15,734
Amortisation of grant (Notes 6 and 23)	(20,174)	(20,174)
Amortisation of right-of-use asset (Note 25)	14,513	13,151
Exchange (gain)/loss on foreign balances	47,010	(95,872)
	<u>1,653,706</u>	<u>1,350,443</u>
Change in operating assets and liabilities:		
Inventory	3,034	(14,530)
Accounts receivable	89,050	122,257
Accounts payable	(19,227)	224,344
	<u>1,726,563</u>	<u>1,682,514</u>
Contributions to retirement fund, net of benefit payments	(12,034)	(12,275)
Tax paid	(49,248)	(92,235)
Cash provided by operating activities	<u><u>1,665,281</u></u>	<u><u>1,578,004</u></u>

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28. Restatement

A restatement was made to the Group and Company's financial statements for the year ended 31 March 2022. The elements underlying the restatement are as follows:

- In 2023, Tax Administration Jamaica communicated to the Company that independent power producers (IPPs) whose business is the generation of electricity (like the Company), come within the scope of Office of Utilities Regulation (OUR) (as regulated entities) and are therefore subject to tax at the rate of 33 1/3% (compared to the 25% tax rate for unregulated entities). The Company has historically utilised a tax rate of 25%.
- In addition, prior to the Company becoming a listed entity in May 2019, it was a subsidiary of a government entity. As a subsidiary of a government entity, the Company should have been subjected to a 0% tax rate up until 31 March 2019. Beginning 2020 to 2022, the Company, as a listed regulated entity, would have been subject to the 33 1/3% tax rate. This has resulted in no recognition of income tax during the financial years prior to May 2019. As a result of this, the deferred taxes previously recognised were reversed while tax losses accumulated up to 2013 were assessed to be still available for set off up to 2023.

The above restatement had an impact on net profit for the period ended 31 March 2022 and the statement of financial position for 31 March 2022 and 1 April 2021.

The tables below reflect the effects of the above restatement on the Consolidated and Company Statements of Comprehensive Income for the year ended 31 March 2022, the Consolidated and Company Statement of Financial Position as at 31 March 2022 and 1 April 2021, and the Consolidated and Company Statement of Cash Flows for the year ended 31 March 2022.

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28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Consolidated Statement of Comprehensive Income for the year ended 31 March 2022:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Sales	2,049,232	-	2,049,232
Cost of sales	(819,572)	-	(819,572)
Gross Profit	1,229,660	-	1,229,660
Other income	255,615	-	255,615
General administrative expenses	(607,784)	-	(607,784)
Operating Profit	877,491	-	877,491
Finance expense, net	(335,494)	-	(335,494)
Share of net loss of associate	(40)	-	(40)
Profit before Taxation	541,957	-	541,957
Taxation	(69,871)	(34,686)	(104,557)
Net Profit	472,086	(34,686)	437,400
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	(2,332)	259	(2,073)
Remeasurements of pension and other post-employment benefits	19,183	(2,131)	17,052
Total other comprehensive income, net of taxes	16,851	(1,872)	14,979
Total Comprehensive Income	488,937	(36,558)	452,379
Earnings per stock unit	\$0.04	\$0.00	\$0.04

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28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Company Statement of Comprehensive Income for the year ended 31 March 2022:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Sales	2,049,232	-	2,049,232
Cost of sales	(819,572)	-	(819,572)
Gross Profit	1,229,660	-	1,229,660
Other income	255,615	-	255,615
General administrative expenses	(607,784)	-	(607,784)
Operating Profit	877,491	-	877,491
Finance expense, net	(335,494)	-	(335,494)
Profit before Taxation	541,997	-	541,997
Taxation	(69,871)	(34,686)	(104,557)
Net Profit	472,126	(34,686)	437,440
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	(2,332)	259	(2,073)
Remeasurements of pension and other post-employment benefits	19,183	(2,131)	17,052
Total other comprehensive income, net of taxes	16,851	(1,872)	14,979
Total Comprehensive Income	488,977	(36,558)	452,419

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28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Consolidated Statement of Financial Position as at 31 March 2022:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Non-current assets			
Property, plant and equipment	6,442,605	-	6,442,605
Investment in associate	137,492	-	137,492
Right-of-use assets	105,698	-	105,698
Pension plan assets	10,014	-	10,014
Financial assets at fair value through other comprehensive income	16,890	-	16,890
Total non-current assets	<u>6,712,699</u>	<u>-</u>	<u>6,712,699</u>
Current assets			
Inventories	22,563	-	22,563
Accounts receivable	311,794	-	311,794
Taxation recoverable	149,417	(85,019)	64,398
Cash and cash equivalents	3,829,935	-	3,829,935
Total current assets	4,313,709	(85,019)	4,228,690
Current liabilities			
Accounts payable	304,087	2,034	306,121
Current portion of lease liabilities	19,802	-	19,802
Current portion of long-term liabilities	886,408	-	886,408
Total current liabilities	<u>1,210,297</u>	<u>2,034</u>	<u>1,212,331</u>
Net current assets	<u>3,103,412</u>	<u>(87,053)</u>	<u>3,016,359</u>
Total assets, net of current liabilities	<u>9,816,111</u>	<u>(87,053)</u>	<u>9,729,058</u>
Equity			
Share capital	202,598	-	202,598
Retained earnings	4,305,112	(327,643)	3,977,469
Total equity	<u>4,507,710</u>	<u>(327,643)</u>	<u>4,180,067</u>
Non-current liabilities			
Capital grants	42,569	-	42,569
Lease liabilities	97,964	-	97,964
Long-term liabilities	4,425,180	-	4,425,180
Post-employment benefit obligation	20,919	-	20,919
Deferred tax liabilities	721,769	240,590	962,359
Total non-current liabilities	<u>5,308,401</u>	<u>240,590</u>	<u>5,548,991</u>
Total equity and non-current liabilities	<u>9,816,111</u>	<u>(87,053)</u>	<u>9,729,058</u>

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28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Company Statement of Financial Position as at 31 March 2022:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Non-current assets			
Property, plant and equipment	6,442,605	-	6,442,605
Investment in associate	137,532	-	137,532
Right-of-use assets	105,698	-	105,698
Pension plan assets	10,014	-	10,014
Financial assets at fair value through other comprehensive income	16,890	-	16,890
Total non-current assets	6,712,739	-	6,712,739
Current assets			
Inventories	22,563	-	22,563
Accounts receivable	311,794	-	311,794
Taxation recoverable	149,417	(85,019)	64,398
Cash and cash equivalents	3,829,935	-	3,829,935
Total current assets	4,313,709	(85,019)	4,228,690
Current liabilities			
Accounts payable	304,087	2,034	306,121
Current portion of lease liabilities	19,802	-	19,802
Current portion of long-term liabilities	886,408	-	886,408
Total current liabilities	1,210,297	2,034	1,212,331
Net current assets	3,103,412	(87,053)	3,016,359
Total assets, net of current liabilities	9,816,151	(87,053)	9,729,098
Equity			
Share capital	202,598	-	202,598
Retained earnings	4,305,152	(327,643)	3,977,509
Total equity	4,507,750	(327,643)	4,180,107
Non-current liabilities			
Capital grants	42,569	-	42,569
Lease liabilities	97,964	-	97,964
Long-term liabilities	4,425,180	-	4,425,180
Post-employment benefit obligation	20,919	-	20,919
Deferred tax liabilities	721,769	240,590	962,359
Total non-current liabilities	5,308,401	240,590	5,548,991
Total equity and non-current liabilities	9,816,151	(87,053)	9,729,098

Wigton Windfarm Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Consolidated Statement of Cash Flows for the year ended 31 March 2022:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Net profit	472,086	(34,686)	437,400
Items not affecting cash:			
Depreciation	692,815	-	692,815
Gain on sale of property, plant and equipment	(650)	-	(650)
Share in net loss of associate	40	-	40
Interest income	(131,100)	-	(131,100)
Interest expense on loan	442,165	-	442,165
Interest charge on lease liability	5,771	-	5,771
Gain on restatement of long-term liabilities	(128,176)	-	(128,176)
Pension plan liability	7,875	-	7,875
Post-employee benefit obligation	6,907	-	6,907
Taxation	69,871	34,686	104,557
Amortisation of upfront fees on loan	15,734	-	15,734
Amortisation of grant	(20,174)	-	(20,174)
Amortisation of right-of-use asset	13,151	-	13,151
Exchange gain on foreign balances	(95,872)	-	(95,872)
	<u>1,350,443</u>	<u>-</u>	<u>1,350,443</u>
Change in operating assets and liabilities:			
Inventory	(14,530)	-	(14,530)
Accounts receivable	122,257	-	122,257
Accounts payable	224,344	-	224,344
	<u>1,682,514</u>	<u>-</u>	<u>1,682,514</u>
Contributions to retirement fund, net of benefit payments	(12,275)	-	(12,275)
Tax paid	(92,235)	-	(92,235)
Cash provided by operating activities	<u><u>1,578,004</u></u>	<u><u>-</u></u>	<u><u>1,578,004</u></u>

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Company Statement of Cash Flows for the year ended 31 March 2022:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Net profit	472,126	(34,686)	437,440
Items not affecting cash:			
Depreciation	692,815	-	692,815
Gain on sale of property, plant and equipment	(650)	-	(650)
Interest income	(131,100)	-	(131,100)
Interest expense on loan	442,165	-	442,165
Interest charge on lease liability	5,771	-	5,771
Gain on restatement of long-term liabilities	(128,176)	-	(128,176)
Pension plan liability	7,875	-	7,875
Post-employee benefit obligation	6,907	-	6,907
Taxation	69,871	34,686	104,557
Amortisation of upfront fees on loan	15,734	-	15,734
Amortisation of grant	(20,174)	-	(20,174)
Amortisation of right-of-use asset	13,151	-	13,151
Exchange gain on foreign balances	(95,872)	-	(95,872)
	<u>1,350,443</u>	<u>-</u>	<u>1,350,443</u>
Change in operating assets and liabilities:			
Inventory	(14,530)	-	(14,530)
Accounts receivable	122,257	-	122,257
Accounts payable	224,344	-	224,344
	<u>1,682,514</u>	<u>-</u>	<u>1,682,514</u>
Contributions to retirement fund, net of benefit payments	(12,275)	-	(12,275)
Tax paid	(92,235)	-	(92,235)
Cash provided by operating activities	<u><u>1,578,004</u></u>	<u><u>-</u></u>	<u><u>1,578,004</u></u>

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

28. Restatement (Continued)

The table below reflects the effect of the above restatement on the Consolidated and Company Statements of Financial Position as at 1 April 2021:

	As previously stated \$'000	Restatement \$'000	Restated \$'000
Non-current assets			
Property, plant and equipment	6,913,397	-	6,913,397
Right-of-use assets	149,936	-	149,936
Total non-current assets	<u>7,063,333</u>	<u>-</u>	<u>7,063,333</u>
Current assets			
Inventories	8,033	-	8,033
Accounts receivable	434,051	-	434,051
Taxation recoverable	51,167	(51,167)	-
Cash and cash equivalents	3,241,427	-	3,241,427
Total current assets	<u>3,734,678</u>	<u>(51,167)</u>	<u>3,683,511</u>
Current liabilities			
Accounts payable	79,743	-	79,743
Taxation payable	-	24,929	24,929
Current portion of lease liabilities	16,405	-	16,405
Current portion of long-term liabilities	20,760	-	20,760
Total current liabilities	<u>116,908</u>	<u>24,929</u>	<u>141,837</u>
Net current assets	<u>3,617,770</u>	<u>(76,096)</u>	<u>3,541,674</u>
Total assets, net of current liabilities	<u>10,681,103</u>	<u>(76,096)</u>	<u>10,605,007</u>
Equity			
Share capital	202,598	-	202,598
Retained earnings	4,016,375	(291,085)	3,725,290
Total equity	<u>4,218,973</u>	<u>(291,085)</u>	<u>3,927,888</u>
Non-current liabilities			
Capital grants	62,743	-	62,743
Lease liabilities	145,905	-	145,905
Long-term liabilities	5,579,241	-	5,579,241
Post-employment benefit obligation	33,158	-	33,158
Pension plan liability	818	-	818
Deferred tax liabilities	640,265	214,989	855,254
Total non-current liabilities	<u>6,462,130</u>	<u>214,989</u>	<u>6,677,119</u>
Total equity and non-current liabilities	<u>10,681,103</u>	<u>(76,096)</u>	<u>10,605,007</u>

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

29. Subsequent event

The Company had always been using the statutory tax rate of 25%, and during the current year, received communication from the Tax Administration Jamaica that the rate applicable to independent power producers should be 33 1/3% as discussed in Note 28. As a result, the financial statements for the year ended 31 March 2023, are prepared utilising the tax rate of 33 1/3%.

On 14 July 2023, the Company received a formal correspondence from the Tax Administration Jamaica stating that the Honourable Minister of Finance and Public Service has indicated his intention that effective for taxable years ending in 2023, to amend the income tax rate applicable for independent power producers regulated by the Office of Utilities Regulation which generate electrical energy wholly or mainly from renewable sources, to a standard corporate tax rate of 25% from the higher tax regime 33 1/3% utilised by certain regulated entities, in keeping with the Government of Jamaica's policy to facilitate growth in the renewable energy sector.

As the date of announcement was made subsequent to year-end, the tax balances of the Company were determined using the 33 1/3% prevailing tax rate in place as at 31 March 2023. This was assessed to be in line with the provisions of IAS 12, *Income Taxes*, as the announcement of the lower tax rate was not deemed substantively enacted as at 31 March 2023. Upon enactment into law, it is expected that the standard corporate income tax rate of 25% would be effective and the relevant adjustments to the tax rate would be made for the 2023 tax filing utilising the lower tax rate of 25%. The related effects of the rate reduction will be recognized in the consolidated and company financial statements upon enactment or substantive enactment if earlier, which is anticipated to occur during the financial year ending 31 March 2024 (adjusted beginning second quarter of fiscal year ending 31 March 2024).

Had this rate change been substantively enacted as at 31 March 2023 and hence the tax balances been reflected using the 25% income tax rate, the balances as at and for the year ended 31 March 2023, would be as follows:

	The Group		
	Balances determined under 33 1/3% tax rate \$'000	Balances determined under 25% tax rate \$'000	Change \$'000
Profit before taxation	636,593	636,593	-
Income tax (expense)/credit	(327,948)	65,370	393,318
Net profit for the year	308,645	701,963	393,318
Other comprehensive income, net of taxes	502	564	62
Total comprehensive income	<u>309,147</u>	<u>702,527</u>	<u>393,380</u>
Earnings per stock unit	<u>\$0.03</u>	<u>\$0.06</u>	<u>\$0.03</u>
Taxation recoverable	<u>281,330</u>	<u>310,150</u>	<u>28,820</u>
Deferred tax liabilities	<u>1,458,241</u>	<u>1,093,681</u>	<u>(364,560)</u>

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

29. Subsequent event (Continued)

Had this rate change been substantively enacted as at 31 March 2023 and hence the tax balances been reflected using the 25% income tax rate, the balances as at and for the year ended 31 March 2023, would be as follows:

	The Company		
	Balances determined under 33 1/3% tax rate \$'000	Balances determined under 25% tax rate \$'000	Change \$'000
Profit before taxation	653,480	653,480	-
Income tax (expense)/credit	(327,948)	65,370	393,318
Net profit for the year	325,532	718,850	393,318
Other comprehensive income, net of taxes	502	564	62
Total comprehensive income	<u>326,034</u>	<u>719,414</u>	<u>393,380</u>
Taxation recoverable	<u>281,330</u>	<u>310,150</u>	<u>28,820</u>
Deferred tax liabilities	<u>1,458,241</u>	<u>1,093,681</u>	<u>(364,560)</u>