



**Wigtown**  
WINDFARM LTD

Q3

INTERIM REPORT TO  
SHAREHOLDERS  
31 DECEMBER 2023



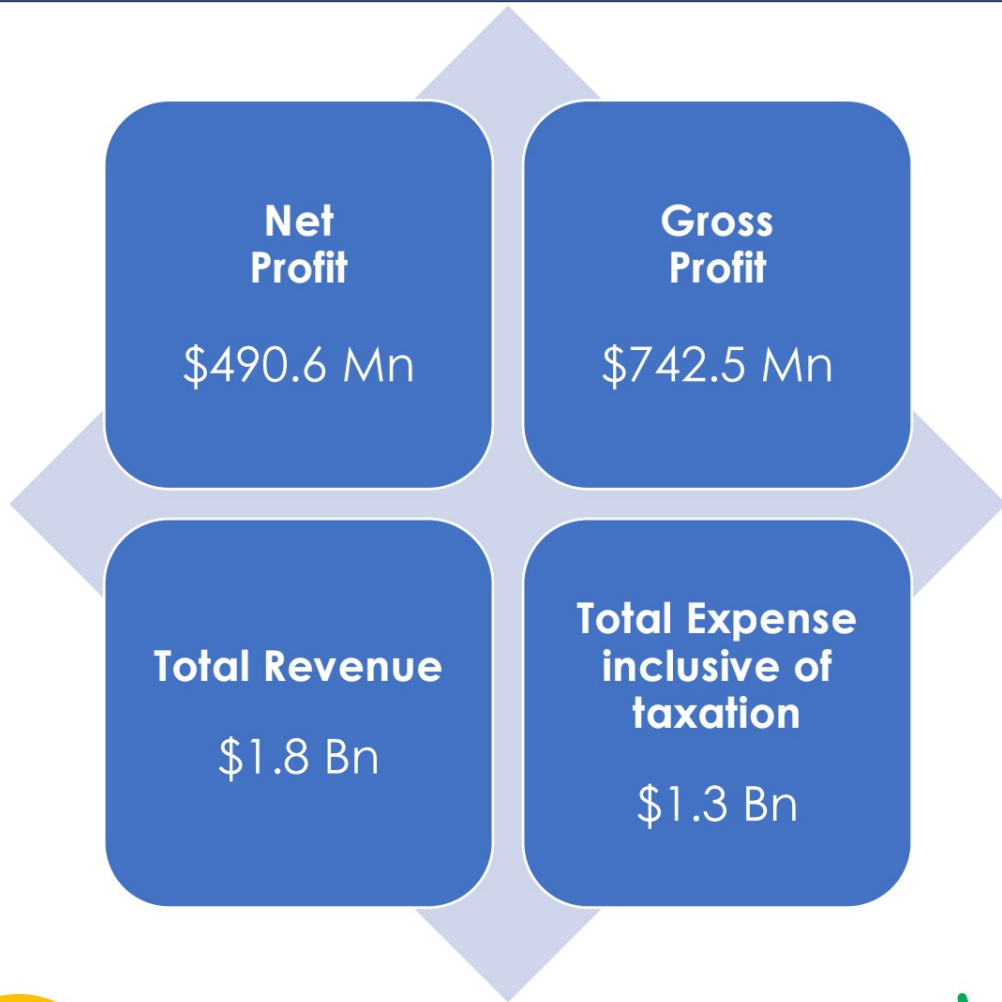
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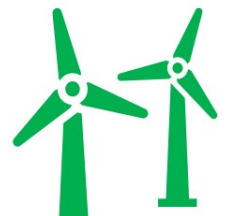


# INTERIM REPORT TO SHAREHOLDERS

## PERFORMANCE HIGHLIGHTS



96.9 GWh Produced



91.0% Average Plant Availability Rate



## INTERIM REPORT TO SHAREHOLDERS

Wigton Windfarm Limited ("Wigton" or "the Company") is pleased to present its unaudited financial results for the nine months ended 31 December 2023.

**TABLE 1. FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 DECEMBER 2023**

Description	9 Months - April to December 2023	9 Months - April to December 2022	Change
	kWh	kWh	%
Production	96,906,839.9	117,482,641.2	(17.5)
Availability	91.0	91.1	(0.1)
	\$'000	\$'000	
Total Revenue	1,755,759	2,033,519	(13.7)
Cost of sales, general administrative and finance expenses and share of loss	1,576,770	1,370,595	(15.0)
Taxation income/(expense)	311,589	(159,102)	(95.8)
Net Profit After Tax	490,578	503,822	(2.6)
Earnings Per Share	0.045	0.046	(2.6)
	%	%	
Gross Profit Margin	49.6%	63.9%	(22.3)
Net Profit Margin	27.9%	25.0%	12.0

### OPERATING PERFORMANCE

During the nine (9) month period, April to December 2023, Wigton saw a marginal decrease in its net profit of \$13.2 Mn or 2.6% over the similar period last year (SPLY). The decrease in net profit is primarily attributable to lower production. However, the overall net profit was bolstered by the adjustment of the income tax rate from the higher tax rate of 33 1/3% to 25% for the current period due to management's representation and consultation with the Tax Administration Jamaica as previously reported.

Despite the reduction in production by 17.5% over SPLY, revenues declined by only 13.9% mainly as a result on the increase in other income.



## INTERIM REPORT TO SHAREHOLDERS

### **Production and Availability**

Wigton registered a decline in its production by 20.6 Mn kWh or 17.5% compared to the SPLY. Additionally, the average plant availability was 91.0% compared to 91.1% for the same period last year.

### **Revenue/Sales**

The abovementioned decrease in production resulted in a \$277.4 Mn or 15.6% year-over-year decline in sales revenue to \$1.5 Bn. Total revenues for the period amounted to \$1.8 Bn representing a \$0.277 Bn or 13.7% decrease, when compared to \$2.0Bn earned in the SPLY.

### **Cost and Expenses**

On a year-over-year basis, cost of sales increased by \$113.2 million or 17.7%, to \$753.4 Mn. This was due to increases in depreciation, inflationary adjustments, staff costs, and electricity. The increase in cost of sales coupled with the reduction in sales resulted in a gross profit margin of 49.6%, compared to 63.9% registered in the SPLY.

General administrative expenses were \$95.8Mn or 23.9% higher primarily as a result of an increase in inflationary adjustment to employee cost, legal and professional fee and repairs and maintenance. The Company's net profit margin for the 9-month period was 27.9% compared to 25.0% in the prior period.



## INTERIM REPORT TO SHAREHOLDERS

### ASSETS, LIABILITIES AND EQUITY

For the reporting period, Wigton's total assets decreased by \$0.4 Bn or 4.1%, from \$10.7 Bn to \$10.3 Bn. Non-current assets decreased by \$479.7 Mn or 7.7% due to the depreciation of the Company's fixed assets. As was disclosed previously, negotiations are ongoing with key stakeholders to replace the Wigton Phase I equipment with new equipment. Current assets grew by \$42.9 Mn or 1.0%, as a result of the prudent management of the Company's short-term liquidity.

The Company's current ratio stands at 4.5x, which indicates maintenance of its strong financial position with sufficient liquid assets to cover all short-term financial obligations. The profitable operations year over year have strengthened the Company's balance sheet and have enhanced the Company's financial flexibility to grow the business from new initiatives being pursued. Notably, annualized return on assets remained constant at 6.2% at the 9-month period ended December 2023.

Total liabilities were \$5.4Bn, a decrease of \$0.4Bn or 7.1% when compared to the SPLY at \$5.8 Bn. The change occurred mainly because of the quarterly principal instalments repaid in respect of Bond A during the period. The Company met all its debt covenants during the period.

**TABLE 2. COMPARATIVE ASSETS, LIABILITIES AND EQUITY AS AT 31 DECEMBER 2023 AND 2022**

Description	Dec-23	Dec-22	Change
	\$'000	\$'000	%
Non-current Assets	5,763,525	6,243,195	(7.7)
Current Assets	<u>4,544,240</u>	<u>4,501,292</u>	1.0
<b>Total Assets</b>	<b>10,307,765</b>	<b>10,744,487</b>	<b>(4.1)</b>
Non-current liabilities	4,386,806	4,830,163	(9.2)
Current liabilities	<u>1,000,207</u>	<u>969,325</u>	(3.2)
<b>Total liabilities</b>	<b>5,387,013</b>	<b>5,799,488</b>	7.1
<b>Equity</b>	<u>4,920,752</u>	<u>4,944,999</u>	(0.5)
<b>Total equities and liabilities</b>	<b>10,307,765</b>	<b>10,744,487</b>	<b>4.1</b>



## INTERIM REPORT TO SHAREHOLDERS

### OUTLOOK

Wigton aims to sustain its current operations, implement new income generating assets, undertake new investments to diversify the Company's revenues, and enhance its portfolio of renewable energy sources in order to bolster the provision of affordable, reliable and cleaner energy solutions. Through these efforts, the Company seeks to generate additional value for its shareholders.

The Company is geared towards diversification and increasing its mix of energy offerings. To this end, it is actively exploring business opportunities and forming partnerships to position itself as a broader energy solutions provider. The Wigton-IEC Joint Venture is one such strategic collaboration, with Innovative Energy Company DBA IEC SPEI Limited. The Joint Venture is currently completing its obligations under the Agreement with the Ministry of Agriculture and Fisheries for the Design, Supply and Installation of Distributive Solar Photovoltaic Systems plus Storage at certain Essex Valley Agriculture Development Project locations and was recently issued an Agreement by MBJ Airports Limited for the Design, Engineering and Installation of roof-mounted and floating solar photovoltaic systems with a capacity of Six Megawatt Alternating Current (6 MWac) along with a Battery Energy Storage System. In this regard Wigton will continue to offer and undertake solutions in renewables, clean technology solutions, as well as pursue other investment opportunities to ensure continued increase in shareholder value. The Company is now in a position to submit its bid to the request for proposals issued on September 18, 2023, for the supply of 100MW of renewable energy to the national grid by the Generation Procurement Entity of Jamaica. Plans are also underway to commercially develop the land the Company owns at Ferry Pen, St. Andrew, with the aim of securing a profitable return on this real estate investment.

In relation to Wigton Phase I operations, it is noted that the current Power Interchange Agreement with the Jamaica Public Service Company Limited for the sale of energy generated from the plant will expire in March 2024. The Company continues discussions with the relevant stakeholders on the continued operation of the plant and the repowering of same to install new and more efficient wind turbines. Once completed, the repowering initiative will result in increased efficiency, improved performance, and reduced maintenance costs, thereby optimizing the Company's renewable energy generation capabilities. Furthermore, it aligns with our commitment to cleaner energy solutions through the contribution of a more sustainable and environmentally friendly energy production process.





## INTERIM REPORT TO SHAREHOLDERS

During the period, Wigton received the reaffirmation of its jmA rating (Local Currency Rating) on the Jamaica national scale and an upgrade to a rating of CariBBB+ (Local Currency Rating) on the regional scale in relation to its Bonds A and B, which were restated in March 2022, by the Caribbean Information and Credit Rating Services Limited. The aforementioned ratings are based on a stable outlook and represent an objective assessment of Wigton's creditworthiness relative to other debt issuing entities locally and regionally.

Wigton continues to align its capital allocation to its strategy. This includes making appropriate choices between increasing distributions to shareholders, investing in the business and strengthening the balance sheet of the Company. The Company is also cognizant of the cessation of the special share held by the Accountant General of Jamaica and the attendant ten percent (10%) shareholding limit on the fifth (5th) anniversary of the date on which the subscription list or the application list was opened in the first initial public offer or offer for sale of shares of the Company.

The Board, Management and Team members continue to work assiduously, to ensure continued profitable outcomes and the sustainability of the Company's operations.

.....  
Dennis Chung  
Chairman

.....  
Earlington Barrett  
Managing Director



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	Quarter Ended December 2023 \$'000 Unaudited	Quarter Ended December 2022 \$'000 Unaudited	Nine Months Ended December 2023 \$'000 Unaudited	Nine Months Ended December 2022 \$'000 Unaudited	March 2023 \$'000 Audited
Sales		444,297	421,013	1,495,818	1,773,247	2,218,435
Cost of sales		(258,616)	(218,076)	(753,368)	(640,137)	(860,330)
<b>Gross Profit</b>		185,681	202,937	742,450	1,133,110	1,358,105
Other income, net		57,850	181,237	259,941	260,272	326,367
General administrative expenses		(147,381)	(132,245)	(496,842)	(401,023)	(619,127)
<b>Operating Profit</b>		96,150	251,929	505,549	992,359	1,065,345
Finance expense, net		(100,656)	(104,732)	(310,387)	(324,641)	(424,371)
Share of net profit of joint venture		-	-	-	-	5,007
Share of net loss of associate		(3,132)	2,027	(16,173)	(4,794)	(9,388)
<b>Profit before Taxation</b>		(7,638)	149,224	178,989	662,924	636,593
Income tax income/(expense)		(6,007)	(35,814)	311,589	(159,102)	(327,948)
<b>Net Profit</b>		(13,645)	113,410	490,578	503,822	308,645
<b>Other Comprehensive Income, net of taxes - Items that will not be reclassified to profit or loss -</b>						
<b>Changes in the fair value of equity     investments at fair value through     other comprehensive income</b>		187	(176)	965	(6,528)	(4,828)
<b>Remeasurements of pension and other     post-employment benefits</b>		-	-	-	-	5,330
<b>Total other comprehensive income, net     of taxes</b>		187	(176)	965	(6,528)	502
<b>Total Comprehensive Income</b>		(13,458)	113,234	491,543	497,294	309,147
Earning per stock unit for profit attributable to the equity holders of the Group during the year	4	\$(0.001)	\$0.010	\$0.045	\$0.046	\$0.03

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	December 2023 \$'000 Unaudited	December 2022 \$'000 Unaudited	March 2023 \$'000 Audited
<b>Non-Current Assets</b>				
Property, plant and equipment		5,536,543	5,994,445	6,059,000
Investment in associate		111,931	132,698	128,104
Rights-of-use asset		96,107	95,676	100,660
Pension plan assets		7,343	10,014	7,343
Investment in joint venture		990	-	-
Financial assets at fair value through other comprehensive income		10,611	10,362	9,647
		<u>5,763,525</u>	<u>6,243,195</u>	<u>6,304,754</u>
<b>Current Assets</b>				
Inventories		18,697	19,526	32,591
Accounts receivable		406,186	380,678	222,744
Taxation recoverable		276,211	53,613	281,330
Cash subject to restriction		318,590	-	311,078
Cash and cash equivalents	5	3,524,556	4,047,475	3,822,730
		<u>4,544,240</u>	<u>4,501,292</u>	<u>4,670,473</u>
<b>Current Liabilities</b>				
Accounts payable		110,806	79,621	306,465
Current portion of lease liability		19,802	19,802	19,802
Current portion of long-term liabilities		869,599	869,902	869,812
		<u>1,000,207</u>	<u>969,325</u>	<u>1,196,079</u>
<b>Net Current Assets</b>		<u>3,544,033</u>	<u>3,531,967</u>	<u>3,474,394</u>
		<b>9,307,558</b>	<b>9,775,162</b>	<b>9,779,148</b>
<b>Equity</b>				
Share capital		202,598	202,598	202,598
Retained earnings		4,718,154	4,742,401	4,226,611
		<u>4,920,752</u>	<u>4,944,999</u>	<u>4,429,209</u>
<b>Non-Current Liabilities</b>				
Capital grants		7,264	27,437	22,395
Lease liabilities		91,751	89,065	95,258
Long term liabilities	6	3,177,051	3,970,974	3,765,208
		8,837		
Post-employment benefit obligation			20,919	8,837
Deferred tax liabilities		1,101,903	721,768	1,458,241
		<u>4,386,806</u>	<u>4,830,163</u>	<u>5,349,939</u>
		<b>9,307,558</b>	<b>9,775,162</b>	<b>9,779,148</b>

Approved for issue by the Board of Directors on January 30, 2024 and signed on its behalf by:

Dennis Chung Chairman

Earlington Barrett Managing Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 April 2022</b>	11,000,000	202,598	4,305,112	4,507,710
Net profit	-	-	503,822	503,822
Other comprehensive income			(6,528)	(6,528)
	11,000,000	202,598	4,802,406	5,005,004
<b>Transactions with Owners:</b>				
Dividends			(60,005)	(60,005)
<b>Balance at 31 December 2022</b>	11,000,000	202,598	4,742,401	4,944,999

Note	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 April 2023</b>	11,000,000	202,598	4,226,611	4,429,209
Net profit	-	-	490,578	490,578
Other comprehensive income	-	-	965	965
Total comprehensive income	-	-	491,543	491,543
<b>Balance at 31 December 2023</b>	11,000,000	202,598	4,718,154	4,920,752



# CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Jamaican dollars unless otherwise indicated)

	December 2023 \$'000 Unaudited	December 2022 \$'000 Unaudited	March 2023 \$'000 Audited
Note			
<b>SOURCES OF CASH:</b>			
<b>Operating Activities</b>			
Net profit	490,578	503,822	308,645
Items not affecting cash:			
Depreciation	618,658	545,019	730,757
Share in net profit of associate	16,173	4,794	9,388
Share in net profit of joint venture	-	-	(5,007)
Interest income	(162,814)	(151,539)	(206,844)
Interest expense	240,310	283,044	367,504
Interest charge on lease liability	7,021	6,216	9,169
Pension plan liability	-	-	6,554
Post-employee benefit obligation	-	-	4,064
Taxation	(311,589)	159,102	327,948
Amortisation of upfront fees	62,843	35,381	47,673
Amortisation of right of use	19,751	10,022	14,513
Amortisation of grant	(15,131)	(15,131)	(20,174)
Exchange (gain)/loss on foreign balances	(76,508)	50,707	47,010
	<b>889,292</b>	<b>1,431,437</b>	<b>1,641,200</b>
Change in operating assets and liabilities:			
Inventory	13,895	10,157	(10,028)
Accounts receivable	(184,432)	(116,635)	89,050
Accounts payable	(195,660)	(334,055)	344
	<b>523,095</b>	<b>990,903</b>	<b>1,720,566</b>
Contribution to retirement fund, net of benefit payment	-	-	(12,034)
Tax paid	(39,628)	(45,972)	(49,248)
Cash provided by/ (used in) operating activities	<b>483,467</b>	<b>944,931</b>	<b>1,659,284</b>
<b>Financing Activities</b>			
Loans repaid	(651,000)	(651,000)	(868,000)
Lease paid during the year	(24,559)	(25,891)	(21,204)
Additional loans proceeds received during the year	-	-	161,758
Interest paid	(240,523)	(281,142)	(385,503)
Dividend paid	-	-	(60,005)
Cash used in financing activities	<b>(916,082)</b>	<b>(958,033)</b>	<b>(1,172,954)</b>
<b>Investing Activities</b>			
Purchase of property, plant and equipment	(96,202)	(100,718)	(347,174)
Acquisition of investment in Joint venture	-	-	(30,664)
Investment in joint venture	-	35,595	-
Proceeds from return of investment in joint venture	-	-	35,671
Cash received from contract and placed on restricted deposit	-	-	(201,178)
Payment for performance bond and placed on restricted deposit	-	-	(109,900)
Interest received	162,814	130,425	206,844
Cash used in investing activities	<b>66,612</b>	<b>65,302</b>	<b>(446,401)</b>
(Decrease)/increase in cash and cash equivalents	<b>(366,003)</b>	52,201	<b>39,929</b>
Exchange gains on cash and cash equivalents	67,829	(50,707)	(47,134)
Cash and cash equivalents at beginning of year	3,822,730	4,045,982	3,829,935
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>3,524,556</b>	<b>4,047,476</b>	<b>3,822,730</b>



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

## 1. Identification and Activities

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

## 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 quarters presented, unless otherwise stated.

### (a) Basis of preparation

These financial statements have been prepared in accordance with and comply with IFRS and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates.

## 3. Property, plant and equipment and depreciation

All property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each such property, plant and equipment, 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



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

### 4. Earnings per share

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

	<b>Quarter Ended December 2023 \$'000</b>	<b>Quarter Ended December 2022 \$'000</b>
Net profit attributable to ordinary shareholders	<u>490,578</u>	<u>503,822</u>
Weighted average number of ordinary shares in issue	<u>11,000,000,000</u>	<u>11,000,000,000</u>
Basic earnings per stock unit	<u>\$0.045</u>	<u>\$0.046</u>

### 5. Cash and cash equivalents

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

	<b>Quarter Ended December 2023 \$'000</b>	<b>Quarter Ended December 2022 \$'000</b>
Cash at bank and cash in hand	66,919	46,870
Short term deposits	1,578,789	851,168
Resale Agreement	1,878,848	3,149,437
	<u><b>3,524,556</b></u>	<u><b>4,047,475</b></u>



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

## 6. Long Term Liabilities

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

	<b>Quarter Ended December 2023 \$'000</b>	<b>Quarter Ended December 2022 \$'000</b>
(i) Senior Secured Bonds:		
Series A – Restated	2,380,996	3,255,899
Series B – Restated	1,899,990	1,765,506
Unamortised upfront fees on loan	<u>(235,935)</u>	<u>(182,431)</u>
	4,045,051	4,838,974
Add: Interest Payable	<u>1,599</u>	<u>1,902</u>
	4,046,650	4,840,876
Less: Current portion	<u>(869,599)</u>	<u>(869,902)</u>
	<u>3,177,051</u>	<u>3,970,974</u>

## SHAREHOLDINGS OF TOP TEN (10) SHAREHOLDERS, DIRECTORS AND SENIOR OFFICERS AS OF 31 DECEMBER 2023

### Ten (10) Largest Shareholders as at December 31, 2023

	Shareholder	Units	Percentage
1	Mayberry Jamaican Equities Limited	1,100,000,000	10.0000%
2	Victoria Mutual Building Society	1,085,842,307	9.8713%
3	National Insurance Funds	706,797,283	6.4254%
4	ATL Group Pension Fund Trustees NOM Limited	598,872,710	5.4443%
5	Sagicor Investments Jamaica- Account #1388842	490,192,711	4.4563%
6	PAM - POOLED EQUITY FUND	290,493,432	2.6408%
7	Geoffrey Ford	269,126,292	2.4466%
8	Sagicor Equity Fund	111,782,470	1.0162%
9	Mayberry Investments Ltd. Pension Scheme	102,709,625	0.9337%
10	MF&G Asset Management Limited-Jamaica Investment Fund	79,939,436	0.7267%

### Shareholdings of Directors and their Connected Parties as at December 31, 2023

Director	Shareholding	Connected Parties' Shareholding	Total
Oliver Holmes	-	1,000,000	1,000,000
Earlington Barrett	2,000,000	-	2,000,000
Nigel Davy	-	1,940,000	1,940,000
Dennis Chung	2,500,000	-	2,500,000
Jacqueline Stewart Lechler	11,252,269	8,730,000	19,982,269
M. Georgia Gibson Henlin	-	600,000	600,000
Hugh Johnson	-	-	-
Omar Azan	-	-	-
Dan Theoc	11,512,000	-	11,512,000
Mariame McIntosh Robinson	-	250,000	250,000

### Shareholdings of Senior Officers and their Connected Parties as at December 31, 2023

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