Wigton Windfarm Limited

Financial Statements
31 March 2024

Independent auditor's report

To the Shareholders of Wigton Windfarm Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Wigton Windfarm Limited (the Company) as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information 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 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 Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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.

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

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter

Impairment of investment in associate
Refer to notes 2o, 4c and 12 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.
 	
Investment in associate accounts for $117 million or 1.13% of total assets of the Company as at 31 March 2024, which represents a 21% holding of Flash Holdings Limited (Flash).
 	
Management considered impairment indicators, such as the fact that the carrying value of the investment in Flash exceeds the Company'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 Company was assisted by external valuation experts in this process and utilised a discounted cash flow (DCF) model to determine the value in use. The value in use was compared to the carrying value of the Investment in associate to determine if there was any impairment.
 	
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.
 	
Management's assessment as at 31 March 2024 identified no impairment of investment in associate.
	Our approach, with the assistance of our valuation expert, 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:
	  ○ Comparing the 31 March 2024 base year financial information to current year results and compared previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting;
	  ○ Assessing the reasonableness of management's forecasting by comparing the forecasted information to historical information, industry and independent economic data;
	  ○ Developing independent assumptions using a range of parameters based on available market inputs and historical information and compared to management's discount and terminal value growth rate; and
	  ○ Sensitising the parameters to evaluate the impact on assumptions and overall discounted cash flows.
	• 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 impairment of 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 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 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 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 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 financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Tricia-Ann Smith DaSilva.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
30 May 2024

Wigton Windfarm Limited

Statement of Comprehensive Income

Year ended 31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Sales		2,057,181	2,218,435
Cost of sales	7	(790,113)	(860,330)
Gross Profit		1,267,068	1,358,105
Other income	6	316,661	326,367
General administrative expenses	7	(686,042)	(619,127)
Operating Profit		897,687	1,065,345
Finance expense, net	9	(405,985)	(424,371)
Share of net profit of joint operations	12	-	5,007
Share of net loss of associate	12	(10,864)	(9,388)
Profit before Taxation		480,838	636,593
Taxation credit/(expense)	10	358,183	(327,948)
Net Profit		839,021	308,645
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	3,803	(4,828)
Remeasurements of pension and other post-employment benefits	16	(3,394)	5,330
Total other comprehensive income, net of taxes		409	502
Total Comprehensive Income		839,430	309,147
Earnings per stock unit	14	$0.08	$0.03

Wigton Windfarm Limited

Statement of Financial Position

31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Non-current assets			
Property, plant and equipment	11	5,553,780	6,059,000
Investment in associate and joint operations	12	117,240	128,104
Investment property		13,472	-
Right-of-use assets	25	90,809	100,660
Pension plan assets	15	29,215	7,343
Financial assets at fair value through other comprehensive income	13	13,450	9,647
Total non-current assets		5,817,966	6,304,754
Current assets			
Inventories	18	15,823	32,591
Accounts receivable	17	358,302	222,744
Taxation recoverable		325,505	281,330
Cash subject to restrictions	12	112,219	311,078
Cash and cash equivalents	20	3,781,202	3,822,730
Total current assets		4,593,051	4,670,473
Current liabilities			
Accounts payable	21	140,771	306,465
Current portion of lease liabilities	25	19,802	19,802
Current portion of long-term liabilities	24	871,045	869,812
Total current liabilities		1,031,618	1,196,079
Net current assets		3,561,433	3,474,394
Total assets, net of current liabilities		9,379,399	9,779,148

Wigton Windfarm Limited

Statement of Financial Position (Continued)

31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Equity			
Share capital	22	202,598	202,598
Retained earnings		5,000,668	4,226,611
Total equity		5,203,266	4,429,209
Non-current liabilities			
Capital grants	23	-	22,395
Lease liabilities	25	86,713	95,258
Long-term liabilities	24	2,980,998	3,765,208
Post-employment benefit obligation	15	19,891	8,837
Deferred tax liabilities	16	1,088,531	1,458,241
Total non-current liabilities		4,176,133	5,349,939
Total equity and non-current liabilities		9,379,399	9,779,148

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

Dennis Chung — Chairman

Dan Theoc — Director

Wigton Windfarm Limited

Statement of Changes in Equity

Year ended 31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares ’000	Share Capital $’000	Retained Earnings $’000	Total $’000
Balance at 1 April 2022		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
Net profit		-	-	839,021	839,021
Other comprehensive income		-	-	409	409
Total comprehensive income		-	-	839,430	839,430
Transaction with owners					
Dividends paid	26	-	-	(65,373)	(65,373)
Balance at 31 March 2024		11,000,000	202,598	5,000,668	5,203,266

Wigton Windfarm Limited

Statement of Cash Flows

Year ended 31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
SOURCES OF CASH:			
Operating Activities			
Cash provided by operating activities	27	883,219	1,659,284
Financing Activities			
Loans repaid	24	(868,000)	(868,000)
Lease repaid during the year	25	(25,748)	(21,204)
Additional loans proceeds received during the year	24	-	161,758
Interest paid	24	(311,875)	(385,503)
Dividend paid	26	(65,373)	(60,005)
Cash used in financing activities		(1,270,996)	(1,172,954)
Investing Activities			
Purchase of property, plant and equipment	11	(107,676)	(347,174)
Acquisition of investment in joint venture	12	-	(30,664)
Purchase of investment property		(13,472)	-
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)
Payment from restricted deposit	12	198,859	-
Interest received		207,156	206,844
Cash provided by/(used in) investing activities		284,867	(446,401)
(Decrease)/Increase in cash and cash equivalents		(102,910)	39,929
Exchange gains/(losses) on cash and cash equivalents		61,382	(47,134)
Cash and cash equivalents at beginning of year		3,822,730	3,829,935
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	20	3,781,202	3,822,730

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.

2. Material Accounting Policy Information

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 financial statements of the Company have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standard Interpretations Committee (SIC Interpretations).

The compliance statement in the basis of preparation should be aligned with how reference to the framework is described in local regulation. An alternative way to state compliance with IFRS Accounting Standards could be "International Financial Standards as issued by the IASB" ("IFRS Accounting Standards").

The preparation of financial statements in conformity with IFRS Accounting Standards 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. 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 Company has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS Accounting Standards, 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 2023). 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 Company.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (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 Company

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 Company's accounting periods beginning on or after 1 April 2023 or later periods, but were not effective at the year-end date, and which the Company 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 2024). 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 Company.

- **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 2024). 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 Company.

- **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 Company.

- **Amendment to IAS 1 – Non-current liabilities with covenants** (effective for annual periods beginning on or after 1 January 2024). 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 Company.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(b) 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 Company's financial instruments is discussed in Note 3(d).

Financial assets

The Company 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 Company'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 Company 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 Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company 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.

2. Material Accounting Policy Information (Continued)

(b) Financial instruments (continued)

Financial assets (continued)

Debt instruments
Subsequent measurement of debt instruments is based on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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). 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 Company holds the trade receivables with the objective to collect the contractual cash flows. The cash flows of the Company's trade receivables are SPPI. Subsequent to initial recognition at fair value, the Company measures trade receivables at amortised cost using the effective interest method.

  Other Financial Assets at Amortised Cost
  The Company 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.

2. Material Accounting Policy Information (Continued)

(b) Financial instruments (continued)

Financial assets (continued)

Equity instruments

The Company measures all equity investments at fair value. Where the Company'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 Company'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 Company's investment in listed shares of Sygnus Real Estate Finance Limited which the Company is holding as a strategic investment and not held for trading.

Impairment

The Company'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 Company 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 2024 and 2023 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 Company 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 Company, 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 Company 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

2. Material Accounting Policy Information (Continued)

(b) Financial instruments (continued)

Financial liabilities
The Company'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.

(c) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the Company 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 Company'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.

(d) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities.

The Company 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 Company's activities as described below.

Sales of electricity
Sale of electricity is recognised when the Company 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 Company'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 Company 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 2024
(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(d) Revenue recognition (continued)

Interest income and expense (continued)
Once a financial asset or a Company 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.

(e) 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 Company 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 Company 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.

On 16 February 2024, the Company signed an Addendum to the Power Interchange Agreement for Wigton Phase I with the Jamaica Public Service Company Limited to extend the period of operation of the said plant for another three (3) years as of 1 April 2024. The extension of the period of operation of Wigton Phase I will allow for the continued generation of energy from the plant.

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

(f) Impairment of long-lived assets

Property, plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2. Material Accounting Policy Information (Continued)

(g) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. Current and deferred tax is charged or credited to profit in the statement of comprehensive income, except where they relate to items charged or credited to other comprehensive income or equity, in which case, they are also dealt with in other comprehensive income or equity.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability for current income tax is calculated at tax rates that have been enacted at year end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) Cash and cash equivalent

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

(i) Grants

Capital grants comprise the following:

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

(j) 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.

2. Material Accounting Policy Information (Continued)

(k) 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 Company.

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

- 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.

2. Material Accounting Policy Information (Continued)

(l) Employee benefits

Pension benefits

The Company 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 Company 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.

(m) Dividend distribution

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

(n) 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 Chief Executive Officer.

(o) Investment in associate

Associates are all entities over which the company has significant influence but not control. Investment in associated companies is accounted for by the equity method of accounting. Under this method, the company's share of post-acquisition profit or losses of the associated companies is recognised in the profit and loss in the statement of comprehensive income and its share of post-acquisition movement in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment.

When the company's share of losses in an associate equal or exceeds its interest in the associate, the company does not recognise further losses, unless the company has incurred obligations or made payments on behalf of the associates.

3. Financial Risk Management

The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company'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 Company 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 Company'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 Company takes on exposure to credit risk, which is the risk that its customer, client or counter party will cause a financial loss for the Company 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 Company 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 Company'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 Company.

Maximum exposure to credit risk

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

	2024 $'000	2023 $'000
Trade and other receivables	204,356	193,764
Financial asset at fair value through other comprehensive income	13,450	9,647
Cash subject to restrictions	112,219	311,078
Cash and cash equivalents	3,781,202	3,822,730
	4,111,227	4,337,219

The above table represents a worst-case scenario of credit risk exposure to the Company as at 31 March 2024 and 2023.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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

Trade receivables
The Company's average credit period on the sale of electrical energy is 45 days. The Company 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 Company 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 (2023 – nil) based on a probability of default of 0%. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics.

As at 31 March 2024, the Company had current trade and other receivables of $204,356,000 (2023–$193,764,000). As at 31 March 2024 and 2023, no trade and other receivables were past due.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk
Liquidity risk is the risk that the Company 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 Company'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 Company and its exposure to changes in interest rates and exchange rates.

As at 31 March 2024, the Company has cash balances held subject to restrictions amounting to $112,219,000 (2023 - $311,078,000) (Note 12).

Undiscounted cash flows of financial liabilities
The maturity profile of the Company's financial liabilities at year-end based on contractual undiscounted payments was as follows:

	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
At 31 March 2024:					
Accounts payable	95,200	-	-	-	95,200
Lease liabilities	5,439	18,772	78,041	41,886	144,138
Long-term liabilities	286,282	838,873	3,540,454	-	4,665,609
	386,921	857,645	3,618,495	41,886	4,904,947
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
	347,636	897,268	4,754,602	49,150	6,048,656

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk

The Company 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 Company'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 Company 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 Company 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 Company further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(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 Company's balances that are denominated in Jamaican dollar and in different foreign currencies (that are subject to exchange rate risk) at 31 March.

	Jamaican$ J$'000	US$ J$'000	Total J$'000
At 31 March 2024:			
Financial Assets			
Financial assets at fair value through other comprehensive income	13,450	-	13,450
Accounts receivable	204,356	-	204,356
Cash subject to restrictions	-	112,219	112,219
Cash and cash equivalents	1,700,478	2,080,724	3,781,202
Total financial assets	1,918,284	2,192,943	4,111,227
Financial Liabilities			
Accounts payable	82,133	13,067	95,200
Lease liabilities	-	106,515	106,515
Long-term liabilities	3,852,043	-	3,852,043
Total financial liabilities	3,934,176	119,582	4,053,758
Net financial position	(2,015,892)	2,073,361	

	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)	

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 Company 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 (2023 – 4% devaluation and 1% 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.

	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
	2024 %	2024 $'000	2023 %	2023 $'000
Currency:				
USD	+4%	82,934	+4%	105,996
USD	-1%	(20,734)	-1%	(26,499)

(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 Company's exposure to price risk arises from investment in listed equity securities held by the Company and classified as at fair value through other comprehensive income (Note 13). The Company 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% (2023 - 6%) increase and decrease in equity prices (with all other variables held constant) is an increase and decrease of $ 807,000 (2023 - $579,000).

(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 Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

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

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Interest rate risk

	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2024:						
Financial Assets						
Financial assets at fair value through other comprehensive income	-	-	-	-	13,450	13,450
Accounts receivable	-	-	-	-	204,356	204,356
Cash subject to restrictions	-	112,219	-	-	-	112,219
Cash and cash equivalents	3,781,167	-	-	-	35	3,781,202
Total assets	3,781,167	112,219	-	-	217,841	4,111,227
Financial Liabilities						
Accounts payable	-	-	-	-	95,200	95,200
Lease liabilities	3,498	10,464	50,844	41,709	-	106,515
Long term liabilities	220,045	651,000	2,980,998	-	-	3,852,043
Total liabilities	223,543	661,464	3,031,842	41,709	95,200	4,053,758
Total interest repricing gap	3,557,624	(549,245)	(3,031,842)	(41,709)	122,641	57,469
Cumulative repricing gap	3,557,624	3,008,379	(23,463)	(65,172)	57,469	-

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 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)	

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest rate sensitivity

The Company has no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

(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 Company's financial instruments that, subsequent to initial recognition, are not measured at fair value is determined by using valuation techniques. The Company 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 Company 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 Company was in compliance with the financial covenants as at and for the years ended 31 March 2024 and 2023.

4. Critical Accounting Estimates and Assumptions in Applying Accounting Policies

The Company 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 Company 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 was subject to the 33 1/3% tax rate that is applicable to regulated entities. Beginning taxable year 2023, the Company is subject to the 25% tax rate as per the announcement of the Honorable Minister of Finance and the Public Service.

(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.

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

The Company 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 2024, the recoverable amount of the investment amounting to $174,718,000 (2023 - $165,187,000) was determined based on value-in-use calculations which require the use of the following assumptions:

- Terminal value growth rates of 3% (2023 – 3.0%)
- Discount rate of 19% (2023 - 18%)

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:

	2024 $’000	2023 $’000
Investment in associate	117,240	128,104

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.

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

(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 Company applies a variety of methods in an effort to arrive at these estimates. The Company 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 2024, the net book values of property, plant and equipment amounts to $5,553,780,000 (2023 - $6,059,000,000). Depreciation expense for the year ended 31 March 2024 amounts to $ 612,896,000 (2023 - $730,756,000).

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

As at 31 March 2024, the Company has lease liabilities amounting to $106,515,000 (2023 - $115,060,000) and right-of-use assets amounting to $90,809,000 (2023 - $100,660,000).

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 Company 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 Company measures the performance of its operating segments through a measure of segment profit or loss which is profit before taxation.

A measure of segment assets is only required to be disclosed if the measure is regularly provided to the chief operating decision-maker (CODM). Segment assets include items of Property, Plant and Equipment.

No other information is reported to or used by the CODM in order to assess performance and allocate resources.

Segment liabilities that are reviewed by the CODM include interest-bearing liabilities.

Revenues are earned from the Company'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 2024

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Financial Reporting (Continued)

	2024			
	Phase I	**Phase II**	**Phase III**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross external revenues	730,483	438,258	888,440	2,057,181
Other income	22,393	-	-	22,393
Allocated other income	97,151	84,479	112,638	294,268
Total revenue	850,027	522,737	1,001,078	2,373,842
Segment Results	507,146	28,840	361,701	897,687
Interest expense				(405,985)
Share in net profit of associate				(10,864)
Share in net profit of joint venture				-
Profit before tax				480,838
Taxation				358,183
Net profit				839,021
Segment Assets	125,989	1,928,722	3,402,464	5,457,175
Unallocated Assets				4,953,842
Total assets				10,411,017
Segment liabilities	1,287,923	1,130,487	1,532,450	3,950,860
Unallocated liabilities				1,256,891
Total liabilities				5,207,751
Other segment items-				
Capital expenditure	114,617	99,667	132,890	347,174
Depreciation	69,866	244,630	298,400	612,896

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Financial Reporting (Continued)

	2023			
	Phase I	**Phase II**	**Phase III**	**Total**
	$'000	**$'000**	**$'000**	**$'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 loss of associate				(9,388)
Share in net profit of joint operations				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

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 Company is JPS which operates in Jamaica.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Financial Reporting (Continued)

	2024 $'000	2023 $'000
Reconciliation of unallocated amounts:		
Unallocated assets -		
Property plant and equipment	363,091	367,155
Right-of-use assets	5,066	1,431
Pension plan assets	29,215	7,343
Investment in associate and joint operations	117,240	128,104
Investment in property	13,472	-
Financial asset at fair value through other comprehensive income	13,450	9,647
Inventories	15,823	32,591
Accounts receivable	177,559	41,998
Taxation recoverable	325,505	281,330
Cash subject to restrictions	112,219	311,078
Cash and cash equivalents	3,781,202	3,822,729
Total unallocated assets	4,953,842	5,003,406
Unallocated liabilities -		
Accounts payable	140,771	306,465
Post-employment benefit obligation	19,891	8,837
Lease liabilities	7,698	2,008
Capital grant	-	22,395
Deferred tax liabilities	1,088,531	1,458,241
Total unallocated liabilities	1,256,891	1,797,946

6. Other Income

	2024 $'000	2023 $'000
Grant amortisation (Note 23)	22,395	20,174
Interest income	217,352	206,844
Income from sale of carbon credits	5,888	142,153
Interest from investment property	445	
Miscellaneous	88	4,206
Foreign exchange gain/(loss)	70,493	(47,010)
	316,661	326,367

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

7. Expenses by Nature

	2024 $'000	2023 $'000
Auditors' remuneration	4,600	2,772
Depreciation (Note 11)	612,896	730,757
Directors' emoluments – Fees (Note 19)	14,800	12,153
Insurance	252,929	216,078
Other expense	88,026	139,513
Professional fees	39,220	23,176
Rental and utility charges	18,234	10,770
Repairs and maintenance	83,486	73,099
Staff costs (Note 8)	246,963	188,252
Security costs	20,902	11,813
Amortisation of right-of-use assets (Note 25)	23,012	14,513
Electricity	71,087	56,561
	1,476,155	1,479,457

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

	2024 $'000	2023 $'000
Cost of sales	790,113	860,330
General administrative expenses	686,042	619,127
	1,476,155	1,479,457

Audit fees for the year ended 31 March 2024 totaled $4,600,000 (2023: $2,772,000). Other fees paid to the auditor (and related network firms) for non-assurance services was nil (2023: $2,895,000).

8. Staff Costs

	2024 $'000	2023 $'000
Salaries and wages	227,175	160,789
Payroll taxes – Employer's Contribution	19,329	16,845
Pension and other post-employment benefits (Note 15)	459	10,618
	246,963	188,252

The average number of employees in 2024 was 29 (2023 - 29).

9. Finance Expense, Net

	2024 $'000	2023 $'000
Amortisation of upfront fees on loan (Note 24)	83,790	47,673
Interest charge on lease liability (Note 25)	9,087	9,169
Interest expense on loans (Note 24)	313,108	367,504
Others	-	25
	405,985	424,371

10. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes and comprises income tax at 25% (2023 -33 1/3%).

	2024 $'000	2023 $'000
Current tax	33,375	115,282
Over-accrual of prior years' taxes	(17,267)	(282,966)
Deferred taxation (Note 16)	(374,291)	495,632
Income tax (credit)/expense	(358,183)	327,948

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.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

10. Taxation (Continued)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic statutory tax rate of 25% (2023 - $33^{1/3}$%) as follows:

	2024 $'000	2023 $'000
Profit before tax	480,838	636,593
Tax calculated at statutory tax rate	120,210	212,198
Adjusted for the effects of:		
Income not subject to tax	(5,602)	(6,725)
Expenses not deductible for tax purposes	32,542	21,388
Over-accrual of prior years' taxes	(17,267)	(282,966)
Impact of tax rate (Note. a)	(425,480)	-
Other charges and allowances, net	(62,586)	384,053
Tax charge	(358,183)	327,948

(a) In 2023, it was established that the Company was subject to the 33 1/3% tax rate that is applicable to regulated entities. Beginning taxable year 2023, the Company is subject to the 25% tax rate as per the announcement of the Honorable Minister of Finance and the Public Service.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

11. Property, Plant and Equipment

	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 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
Additions	-	-	3,461	82,344	3,331	-	18,540	107,676
At 31 March 2024	243,678	11,231,324	115,114	1,158,432	113,843	100,032	73,406	13,035,829
Accumulated Depreciation -								
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
Charge (Note 7)	-	516,358	7,279	67,145	10,673	5,007	6,434	612,896
At 31 March 2024	-	6,504,945	100,732	694,776	92,532	38,099	50,965	7,482,049
Net Book Value -								
31 March 2024	243,678	4,726,379	14,382	463,656	21,311	61,933	22,441	5,553,780
31 March 2023	243,678	5,242,737	18,200	448,457	28,653	66,940	10,335	6,059,000

12. Investment in Associate and Joint Operations

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 and joint operations balance during the year are shown below:

	2024 $'000	2023 $'000
At 1 April	128,104	137,492
Share in net loss	(10,864)	(9,388)
At 31 March	117,240	128,104

The associate's year-end is 31 March.

The summarised 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 Company's share of those amounts.

	2024 $'000	2023 $'000
Statement of financial position		
Total assets	163,299	98,408
Total liabilities	(124,066)	(1,484)
Net assets	39,233	96,924
Statement of comprehensive income		
Revenues	23,811	222,652
Expenses	76,091	263,217
Loss for the period being Total comprehensive income	(52,280)	(40,565)

As at 31 March 2024 and 2023, management has not recognised any impairment loss on the investment in associate.

12. Investment in Associate and Joint Arrangements (Continued)

Investment in associate (continued)

As at 31 March 2024, the recoverable amount of the investment amounts to $174,718,000 (2023 - $165,187,000) based on value-in-use calculation. The value-in-use calculation considered the terminal value growth rate of 3% (2023 - 3.0%) and a discount rate of 19% (2023 - 18%).

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	
	2024 **$'000**	**2023** **$'000**
Terminal value growth rate		
+ 1%	4,900	6,202
- 1%	(37,516)	(5,446)
Discount rate		
+ 1%	(25,879)	(19,665)
- 1%	15,006	22,842

Investment in joint operations

Joint Venture Agreement – Single Project

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. As at 31 December 2022, the NMIA project was deemed complete, and the Company received 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.

Joint Venture Agreement – Green Energy Solutions

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 on 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.

12. Investment in Associate and Joint Arrangements (Continued)

Investment in joint operations (continued)

Total cash subject to restrictions held by the Company in relation to the MOAF project consists of the following:

	2024 $'000	2023 $'000
(a) Performance security	112,219	109,900
(b) Amount received from MOAF, pending satisfaction of performance obligations (Note 21)	-	201,178
	112,219	311,078

(a) The Company, as a party to the contract, is required to post an amount totaling $112,219,000 (2023: $109,900,000) as performance security. This amount will be released upon completion of the contract.

(b) As at 31 March 2024, the Wigton-IEC Joint Venture, through the Company, has received an amount totaling $878,042,000 (2023: $201,178,000) in line with the stipulations of the contract.

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:

	2024 $'000	2023 $'000
At 1 April	-	-
Investments made during the year	-	30,664
Return of capital and share of profit	-	(35,671)
Share in net profit	-	5,007
At 31 March	-	-

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

13. Financial Asset at Fair Value Through Other Comprehensive Income

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

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

	2024 $'000	2023 $'000
At 1 April	9,647	16,890
Changes in fair value recognised in other comprehensive income	3,803	(7,243)
At 31 March	13,450	9,647

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.

	2024 $'000	2023 $'000
Net profit attributable to shareholders	839,021	308,645
Weighted average number of ordinary shares in issue ('000)	11,000,000	11,000,000
Basic earnings per stock unit	$0.08	$0.03

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

15. Pension and Other Post-Employment Benefits

	2024 $'000	2023 $'000
Amounts recognised in the statement of financial position -		
Pension plan assets	(29,215)	(7,343)
Post-employment benefit obligation	19,891	8,837
Amounts recognised in profit or loss -		
Pension plan asset	(1,403)	6,554
Post-employment benefit obligation	1,862	4,064
Total, included in staff costs (Note 8)	459	10,618
Amounts recognised in other comprehensive income -		
Pension plan asset	(4,906)	7,961
Post-employment benefit obligation	9,431	(15,956)
	4,525	(7,995)

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:

	2024 $'000	2023 $'000
Fair value of plan assets	(142,718)	(48,942)
Present value of funded obligations	113,503	41,599
Asset recognised in the statement of financial position	(29,215)	(7,343)

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

Pension benefits (continued)

The movement in the account during the year in 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 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)
Amounts recognised in profit or loss -			
Current service cost	941	-	941
Interest cost/(income)	5,408	(7,752)	(2,344)
	6,349	(7,752)	(1,403)
Amounts recognised in other comprehensive income -			
Losses from change in financial assumptions	27,595	-	27,595
Effect of asset ceiling	-	(76,109)	(76,109)
Experience gains	31,478	12,130	43,608
	59,073	(63,979)	(4,906)
Contributions	6,482	(22,045)	(15,563)
At 31 March 2024	113,503	(142,718)	(29,215)

The Company has a surplus pension asset that is not recognised as a prepayment, on the basis that future economic benefits are not available to the Company 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 2024 amount to $25,137,000 (2023 - $17,147,000).

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

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

Pension benefits (continued)

The distribution of plan assets was as follows:

	2024		2023	
	$'000	**%**	**$'000**	**%**
Equity Fund	29,179	20	30,378	26
Fixed Income Fund	17,812	12	14,829	13
Foreign Currency Fund	22,342	16	20,169	17
Mortgage & Real Estate Fund	10,847	8	7,515	6
Money Market Fund	10,392	7	6,160	5
CPI Index Fund	48,389	34	37,491	33
Other	3,757	3	(247)	-
	142,718	100	116,295	100
Impact of asset ceiling	-	-	(67,353)	-
	142,718	100	48,942	100

Other post-employment benefits
The Company 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 $ 19,891,000 (2023 - $8,837,000).

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

	2024 $'000	2023 $'000
At 1 April	8,837	20,919
Amounts recognised in profit or loss -		
Current service cost	729	2,398
Interest cost	1,133	1,666
	1,862	4,064
Amounts recognised in other comprehensive income -		
Losses from change in financial assumptions	5,618	(15,405)
Experience losses	3,813	(551)
	9,431	(15,956)
Benefits paid	(239)	(190)
At 31 March	19,891	8,837

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

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

Principal actuarial assumptions

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	10.5%	13.0%
Future salary increases	6.0%	6.0%
Future pension increases	0.0%	0.0%
Inflation rate	5.5%	5.5%
Medical cost rate	7.0%	6.5%

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

	Pension benefits		Other post-employment benefits	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Discount rate				
+1%	(20,921)	(5,977)	(3,658)	(1,375)
-1%	27,568	8,161	4,891	1,768
Future salary increase				
+1%	16,581	5,221	-	-
-1%	(14,109)	(4,279)	-	-
Future pension increase				
+1%	9,671	2,636	-	-
-1%	-	-	-	-
Medical cost rate				
+1%	-	-	5,022	1,872
-1%	-	-	(3,792)	(1,461)

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.

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 Company 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 Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

The Company believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Company's long-term strategy to manage the plans efficiently. See below for more details on the Company'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 Company 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 Company'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 Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company 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 2024 were invested in the Equity Fund.

The weighted average duration of the pension defined benefit obligation is 42 years, and the weighted average duration of the medical defined benefit obligation is 37 years.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Income Taxes

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

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

	2024 $'000	2023 $'000
At 1 April	1,458,241	962,359
(Credited)/Charged to profit or loss (Note 10)	(374,291)	495,632
Charged to other comprehensive income	4,581	250
At 31 March	1,088,531	1,458,241

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:

	2024 $'000	2023 $'000
Deferred income tax assets	33,797	46,960
Deferred income tax liabilities	(1,122,328)	(1,505,201)
	(1,088,531)	(1,458,241)

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:

	2024 $'000	2023 $'000
Deferred income tax assets	31,602	44,748
Deferred income tax liabilities	(1,110,700)	(1,485,970)

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(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:

Deferred tax liabilities -	Pension Plan Asset $'000	Unrealised Foreign Exchange (Gains)/ Losses $'000	Accelerated Tax Depreciation $'000	Right-of-Use Asset $'000	Interest Receivable $'000	Total $'000
At 1 April 2022	(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)
Recognised in profit or loss	(6,084)	9,261	369,275	10,851	(1,657)	381,646
Recognised in other comprehensive income	1,227	-	-	-	-	1,227
At 31 March 2024	(7,304)	(6,409)	(1,080,694)	(22,702)	(5,219)	(1,122,328)

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Income Taxes (Continued)

Deferred tax assets -	Interest Payable $'000	Post-Employment Benefit Obligation $'000	Lease Liability $'000	Tax Losses $'000	Others $'000	Total $'000
At 1 April 2022	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
Recognised in profit or loss	157	4,385	(11,724)	-	(173)	(7,355)
Recognised in other comprehensive income	-	(2,358)	-	-	(3,450)	(5,808)
At 31 March 2024	761	4,973	26,629	-	1,434	33,797

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Income Taxes (Continued)`

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

	2024		
	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)	3,803	-	3,803
Remeasurements of pension and other post-employment benefits (Note 15)	(4,525)	1,131	(3,394)
	(722)	1,131	409

	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
	752	(250)	502

17. Accounts Receivable

	2024 $'000	**2023 $'000**
Trade	183,246	180,742
Prepayments	89,235	24,884
Contract asset	60,123	-
Taxation recoverable - General Consumption Tax	4,588	4,096
Other	21,110	13,022
	358,302	222,744

18. Inventories

	2024 $'000	**2023 $'000**
Solar panels	-	13,062
Oil and other supplies	15,823	19,529
	15,823	32,591

There was no write-down of inventories for the years ended 31 March 2024 and 2023.

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

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

19. Related Party Transactions and Balances

Key management personnel compensation

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

	2024 $'000	2023 $'000
Wages and salaries	53,356	41,093
Pension benefits	4,637	3,383
Payroll taxes – Employer's Contribution	2,556	2,246
Other post-employment benefits	(627)	3120
Other	18,407	8,207
	78,329	58,049

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

	2024 $'000	2023 $'000
Directors' emoluments –		
Director fees (Note 7)	14,800	12,153
Management remuneration	29,275	19,072

20. Cash and Cash Equivalents

	2024 $'000	2023 $'000
Cash at bank and in hand	108,181	253,308
Short-term deposits	1,854,712	1,400,996
Resale agreements	1,818,309	2,168,426
	3,781,202	3,822,730

The weighted average effective interest rate at the year-end was 5% (2023 – 4.33%) on US$, 8.5% (2023 – 6.0%) on J$ short-term deposits.

21. Accounts Payable

	2024 $'000	2023 $'000
Accruals	55,252	38,037
Contract liabilities (Note 12)	-	201,178
General Consumption Tax	25,512	25,044
Other payables	60,007	42,206
	140,771	306,465

Contract liabilities

As disclosed in Note 12, as at 31 March 2023, the Wigton-IEC Joint Venture, through the Company, received a total of $201,178,000 which was not utilised at year end 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 2024, no revenues have been recognised in line with the recognised contract liabilities.

22. Share Capital

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

On 22 May 2019, the Company 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 2024 and 2023.

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.

	2024 $'000	2023 $'000
Cost of grant	403,495	403,495
Accumulated amortisation -		
At 1 April	381,100	360,926
Amortisation charge for the year (Note 6)	22,395	20,174
At 31 March	403,495	381,100
Net book value	-	22,395

24. Long-Term Liabilities

These represent capital raised by the Company 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 Company's liabilities during the year:

	2024 $'000	2023 $'000
At 1 April	4,635,020	5,311,588
Interest charges for the year (Note 9)	313,108	367,504
Amortisation of upfront fees (Note 9)	83,790	47,673
Payment of principal	(868,000)	(868,000)
Payment of interest	(311,875)	(385,503)
Additional loans received during the year	-	161,758
At 31 March	3,852,043	4,635,020
Less: Current portion	(871,045)	(869,812)
	2,980,998	3,765,208

24. Long-Term Liabilities (Continued)

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

	2024 $'000	2023 $'000
Senior Secured Bonds:		
Bond A	1,295,996	2,163,996
Bond B	1,899,990	1,899,990
Unamortised upfront fees on loan	(214,988)	(298,778)
	2,980,998	3,765,208
Principal payable	868,000	868,000
Interest payable	3,045	1,812
	3,852,043	4,635,020

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

	2024 $'000	2023 $'000
0-12 months	871,045	869,812
1-5 years	2,980,998	3,765,208
	3,852,043	4,635,020

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

	Carrying amount		Fair value	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Long-term liabilities	2,980,998	3,765,208	4,402,464	5,545,259

Wigton Windfarm Limited

Notes to the Financial Statements
31 March 2024
(expressed in Jamaican dollars unless otherwise indicated)

25. Leases

The Company 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:

	2024 $'000	2023 $'000
Right-of-use assets		
Land and office space	90,809	100,660
Lease Liabilities		
Current	19,802	19,802
Non-current	86,713	95,258
	106,515	115,060

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

	Lease liabilities $'000	Right-of-use assets $'000
At 1 April 2022	117,766	105,698
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	115,060	100,660
Impact of remeasurements	10,181	9,900
Payment of lease principal	(25,748)	-
Interest charges for the year (Note 9)	9,087	-
Amortisation of right-of-use assets (Note 7)	-	(23,012)
Others	(2,065)	3,261
At 31 March 2024	106,515	90,809

26. Dividends

	2024 $'000	2023 $'000
Amount declared	65,373	60,005
Dividend per stock unit	0.0059	0.0055
Declaration date	30 January 2024	1 December 2022
Payment date	2 February 2024	6 January 2023

There were no dividends declared subsequent to the year end.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Cash Flows from Operating Activities

	2024 $'000	2023 $'000
Net profit	839,021	308,645
Items not affecting cash:		
Depreciation (Notes 7 and 11)	612,896	730,757
Share in net loss of associate (Note 12)	10,864	9,388
Share in net profit of joint operations (Note 12)	-	(5,007)
Interest income (Note 6)	(217,352)	(206,844)
Interest expense on loans (Notes 9 and 24)	313,108	367,504
Interest charge on lease liability (Notes 9 and 25)	9,087	9,169
Pension plan liability	(1,043)	6,554
Post-employee benefit obligation	1,862	4,064
Taxation (Note 10)	(358,183)	327,948
Amortisation of upfront fees on loan (Notes 9 and 24)	83,790	47,673
Amortisation of grant (Notes 6 and 23)	(22,395)	(20,174)
Amortisation of right-of-use asset (Notes 7 and 25)	23,012	14,513
Exchange (gain)/loss on foreign balances	(61,075)	47,010
	1,233,592	1,641,200
Change in operating assets and liabilities:		
Inventory	16,768	(10,028)
Accounts receivable	(125,362)	89,050
Accounts payable	(165,694)	344
	959,304	1,720,566
Contributions to retirement fund, net of benefit payments	(15,802)	(12,034)
Tax paid	(2,780)	(49,248)
Taxation recoverable	(57,503)	-
Cash provided by operating activities	883,219	1,659,284