



Wigton Windfarm Limited
Unaudited Financial Statements
For Quarter Ended 30 June 2019

Wigton Windfarm Limited

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Quarter Ended 30 June 2019

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Wigton Windfarm Limited

Interim Report to Shareholders

Quarter Ended 30 June 2019

The Directors are pleased to present the unaudited financial results of Wigton Windfarm Limited (WWFL) for the first quarter ended June 30, 2019, (the financial year, April 2019 to March 2020) which have been prepared in accordance with International Financial Reporting Standards (IFRS).

FIRST QUARTER FINANCIAL HIGHLIGHTS

Description	Quarter 1 - April to June 2019	Quarter 1 - April to June 2018	Change %
	kWh	kWh	
Production	55,331,319	53,752,427	2.9
Availability	97.0%	88.66%	9.4
	\$	\$	
Total Revenue	900,850,335	842,394,660	6.9
Total Expenses	418,741,157	612,568,401	31.6
Net Profit After Tax	366,402,976	174,667,957	109.8
Earnings Per Share*	\$0.033	\$17,466.79	

* June 30, 2019 number of issued shares – 11,000,000,000 (June 30, 2018 – 10,000)

FIRST QUARTER FINANCIAL PERFORMANCE

For the quarter ended June 30, 2019, WWFL recorded the following:

- Net Profit after taxation of \$366.4 million, a \$191.7 million or 109.8% increase,
- An increase in total revenues of \$58.5 million or 6.9%,
- Earnings per share of \$0.033; a decrease from \$17,466.79 in the corresponding period 2018 as a result of the issue of 10,999,990,000 new shares. Wigton's entire shareholding of 11,000,000,000 shares were listed on the Jamaica Stock Exchange on May 22, 2019.

Revenue

For the quarter ended June 30, 2019, WWFL recorded total revenue of \$900.9 million. This represented an increase of \$58.5 million or 6.9% over the \$842.4 million achieved in the corresponding period ended June 30, 2018. The increase in revenue was positively influenced by the 2.9% increase in production, and a 9.4% increase in the availability of the wind turbines.

Wigton Windfarm Limited

Interim Report to Shareholders

Quarter Ended 30 June 2019

Expenses

WWFL recorded total expenses of \$418.7 million, a decrease of \$193.8 million or 31.6% over the \$612.6 million in the corresponding period in 2018. The main contributor to the decrease was a reduction in finance expense of \$210.4 million or 58.8% as a result of lower foreign exchange losses.

Net Profit

Net profit after taxation was \$366.4 million or \$191.7 million (109.8%) more than the \$174.7 million for the corresponding period in 2018. This was due to the following:

1. A \$58.5 million increase in revenues,
2. A \$193.8 million decrease in expenses, mainly resulting from a reduction in finance expense, and
3. An increase of \$60.5 million in taxation.

Financial Position

WWFL's total assets as at June 30, 2019 was \$10.0 billion, an increase of \$1.3 billion or 14.1%, when compared to total assets as at June 30, 2018 of \$8.7 billion. The main contributors to the increased value of the balance sheet were an increase of \$913.6 million in cash and deposits, a reduction of \$775.8 million in current portion of long-term liabilities as a result of a refinancing of the US\$ PetroCaribe Development Fund loan into Jamaican dollar long term bonds, and the impact of depreciation which reduced property, plant and equipment by \$406.6 million.

WWFL's equity of \$3.3 billion reflects an increase of \$718.6 million or 28.3% over the same period last year. The company closed the financial year ended March 31, 2019 with shareholders' equity of \$2.9 billion, which grew to \$3.3 billion as a result of net profits of \$366.4 million for the quarter ended June 31, 2019.

In December 2018, WWFL refinanced its US\$49.2 million PetroCaribe Development Fund loan into medium and long-term Jamaican dollar Bonds, effectively eliminating the company's exposure to foreign currency losses which amounted to \$662.5 million in the financial year ended March 31, 2019. The Bonds totalling \$6.3 billion constitute 93.2% of the company's non-current liabilities.

Wigton Windfarm Limited

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OUTLOOK: 2020 AND BEYOND

Wigton has a history of building its business through innovation. The transition to a private sector publicly listed company is expected to open new opportunities for further innovation for expansion beyond the single customer energy supply model, while remaining in a state of readiness to be responsive to calls for additional capacity to the JPS grid. Wigton will continue to promote its core values and principles of:

- ✓ Maintaining its excellent safety record,
- ✓ Achieving $\geq 90\%$ wind turbine availability,
- ✓ 169 Gigawatt hours of production for the year (average over the past three years), notwithstanding low and high production periods during each year,
- ✓ Maintaining profitable operations through revenue growth and prudent expense management,
- ✓ Maintaining good corporate responsibility, and
- ✓ Training our staff in all the facets of renewable energy.



Oliver W. Holmes
Chairman



Earl Barrett
General Manager

Wigton Windfarm Limited

Statement of Comprehensive Income

Quarter Ended 30 June 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Quarter Ended 30 June 2019 \$'000	Unaudited Quarter Ended 30 June 2018 \$'000
Sales	832,820	782,892
Cost of sales	<u>(191,996)</u>	<u>(176,818)</u>
Gross Profit	640,824	606,074
Other income	68,030	59,503
General administrative expenses	<u>(79,312)</u>	<u>(77,958)</u>
Operating Profit	629,542	587,620
Finance expense	<u>(147,433)</u>	<u>(357,793)</u>
Profit before Taxation	482,109	229,826
Taxation	<u>(115,706)</u>	<u>(55,158)</u>
Net Profit	<u>366,403</u>	<u>174,668</u>
Earning per shares/stock unit for profit attributable to the equity holders of the Company during the year	4 <u>\$0.033</u>	<u>\$17,466.79</u>
Units of shares	<u>11,000,000,000</u>	<u>10,000</u>

Wigton Windfarm Limited


Statement of Financial Position

Quarter Ended 30 June 2019 (Unaudited)


(expressed in Jamaican dollars unless otherwise indicated)

	Note	June 2019 \$'000 Unaudited	June 2018 \$'000 Unaudited	March 2019 \$'000 Audited
Non-Current Assets				
Property, plant and equipment		7,844,758	8,251,397	7,997,089
Pension plan asset		82,702	67,499	82,702
		<u>7,927,460</u>	<u>8,318,896</u>	<u>8,079,791</u>
Current Assets				
Accounts receivable		485,322	515,055	134,815
Taxation recoverable		62,009	98,054	61,545
Cash and deposits	5	1,657,662	744,066	1,376,599
		<u>2,204,993</u>	<u>1,357,175</u>	<u>1,572,959</u>
Current Liabilities				
Due to parent company		-	-	19,459
Accounts payable		137,717	137,430	119,498
Current portion of long-term liabilities		21,609	797,425	22,546
		<u>159,326</u>	<u>934,855</u>	<u>161,503</u>
Net Current Assets		<u>2,045,668</u>	<u>422,320</u>	<u>1,411,456</u>
		<u>9,973,128</u>	<u>8,741,216</u>	<u>9,491,247</u>
Equity				
Share capital		202,598	202,598	202,598
Retained earnings		3,057,813	2,339,207	2,691,410
		<u>3,260,411</u>	<u>2,541,805</u>	<u>2,894,008</u>
Non-Current Liabilities				
Capital grants		98,048	118,223	103,090
Long term liabilities	6	6,255,544	5,954,306	6,250,731
Post-employment benefit obligation		26,925	30,164	26,925
Deferred tax liabilities		332,199	96,718	216,493
		<u>9,973,128</u>	<u>8,741,216</u>	<u>9,491,247</u>

Approved for issue by the Board of Directors on August 12, 2019 and signed on its behalf:



 Oliver W. Holmes Chairman



 Gregory B. Shirley Audit and Finance Chairman

Wigton Windfarm Limited

Statement of Changes in Equity

Quarter Ended 30 June, 2019 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2018	10	202,598	2,117,972	2,320,570
Net adjustments			46,568	46,568
Net profit			174,667	174,667
Balance at 30 June 2018	10	202,598	2,339,207	2,541,805

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2019	10	202,598	2,691,410	2,894,008
Net profit	-	-	366,403	366,403
Increase in shares from the sale of shares				
Addition shares	10,999,990	-	-	-
Balance at 30 June 2019	11,000,000	202,598	3,057,813	3,260,411

Wigton Windfarm Limited

Statement of Cash Flows

Quarter Ended 30 June 2019 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Quarter Ended 30 June 2019 \$'000	Quarter Ended 30 June 2018 \$'000
SOURCES OF CASH:			
Operating Activities			
Net profit		366,403	174,668
Items not affecting cash:			
Depreciation		167,066	152,261
Interest income		(9,141)	(2,050)
Interest expense		127,900	82,909
Taxation		115,706	55,158
Amortisation of grant		(5,044)	(5,044)
Exchange (gain)/loss on foreign balances		(34,313)	226,987
		<u>728,577</u>	<u>684,889</u>
Change in operating assets and liabilities:			
Accounts receivable		(350,507)	(85,209)
Accounts payable		(1,240)	(295,628)
		<u>376,830</u>	<u>304,052</u>
Tax paid		-	(20,829)
Cash provided by/(used in) operating activities		<u>376,830</u>	<u>283,223</u>
Financing Activities			
Loans repaid		-	(195,019)
Interest paid		(124,486)	(82,909)
Cash used in financing activities		<u>(124,486)</u>	<u>(277,928)</u>
Investing Activities			
Purchase of property, plant and equipment		(14,734)	(26,902)
Interest received		9,141	2,050
Cash used in investing activities		<u>(5,593)</u>	<u>(24,851)</u>
(Decrease)/increase in cash and cash equivalents		246,751	(19,556)
Exchange gains on cash and cash equivalents		34,313	73,255
Cash and cash equivalents at beginning of year		<u>1,376,599</u>	<u>690,367</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	<u><u>1,657,662</u></u>	<u><u>744,066</u></u>

Wigton Windfarm Limited

Notes to the Financial Statements

30 June 2019

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Wigton Windfarm Limited (the company) is incorporated and domiciled in Jamaica. The company was incorporated on April 12, 2000. The principal activity of the company is the generation and sale of electricity from wind technology. The registered office of the company is located at 36 Trafalgar Road, Kingston 10.

Effective May 22, 2019, the Company's shares were listed on the Jamaica Stock Exchange.

2. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

3. Segmenting 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. Wigton Windfarm Limited is organised and managed in three main reportable segments based on the respective windfarms.

The designated segments are as follows:

- Phase I
- Phase II
- 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.

Revenue from transactions is with the company's single customer Jamaica Public Service (JPS).

Wigton Windfarm Limited

Notes to the Financial Statements

30 June 2019

(expressed in Jamaican dollars unless otherwise indicated)

4. Earnings per share

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

	Quarter Ended 30 June 2019 \$'000	Quarter Ended 30 June 2018 \$'000
Net profit attributable to ordinary shareholders	<u>366,403</u>	<u>174,668</u>
Weighted average number of ordinary shares in issue	<u>11,000,000,000</u>	<u>10,000</u>
Basic earnings per share	<u>\$0.033</u>	<u>\$17,466.79</u>

5. Cash and Deposits

Cash and deposits 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.

	Quarter Ended 30 June 2019 \$'000	Quarter Ended 30 June 2018 \$'000
Cash at bank and in hand	62,387	17,237
Deposits	<u>1,595,275</u>	<u>726,829</u>
	<u>1,657,662</u>	<u>744,066</u>

Wigton Windfarm Limited

Notes to the Financial Statements

30 June 2019

(expressed in Jamaican dollars unless otherwise indicated)

6. Long Term Liabilities

	Quarter Ended 30 June 2019 \$'000	Quarter Ended 30 June 2018 \$'000
(i) PetroCaribe Development Fund	-	6,751,732
(ii) Senior Secured Bonds:		
Series A	710,000	-
Series B	1,953,000	-
Series C	1,674,587	-
Series D	2,011,000	-
Unamortised upfront fees on loan	(93,043)	-
	<u>6,255,544</u>	<u>6,751,732</u>
Interest payable	21,609	-
	<u>6,277,153</u>	<u>6,751,732</u>
Less: Current portion	<u>(21,609)</u>	<u>(797,426)</u>
	<u><u>6,255,544</u></u>	<u><u>5,954,306</u></u>

- (i) This represents two loans from The PetroCaribe Development Fund (PDF), one of which was granted to provide funding for the wind farm expansion by 18 Megawatts (MW), Wigton Phase II and the second loan was granted to provide funding for the wind farm expansion by 24MW, Wigton Phase III. Interest rate on these loans were 6% and 4%, respectively. Repayments were made monthly.
- (ii) In December 2018, the Company launched a private placement of Bonds to raise J\$6,348,586,690.42 to repay the PDF. The placement was successful and the funds raised were converted to United States dollars through a Bank of Jamaica facility and applied to repay in full the loans totalling US\$49.2 million owing to the PetroCaribe Development Fund. The PetroCaribe Fund is statutorily empowered to grant loan to public bodies that are self-financing and to the Ministry of Finance to finance Government projects that have the potential to generate savings or expand revenue flows to the Government. This meant that with the Offer for Sale of the Company, it would cease to be public body and would not qualify to hold loans from PetroCaribe Fund.

Shareholdings of Top Ten (10) Stockholders, Directors and Senior Officers as at 30 June 2019

10 Largest Shareholders of Wigton Windfarm Limited as at June 30, 2019

	Name of shareholder	Joint Holder(s)	Units	Percentage
1	National Insurance Fund	Nil	706,797,283	6.4254%
2	Victoria Mutual Building Society	Nil	591,661,998	5.3787%
3	Geoffrey Forde	Nil	100,130,000	0.9103%
4	Prime Asset Management JPS Employees Superannuation Fund	Nil	68,730,000	0.6248%
5	ATL Group Pension Fund Trustee Nominee Limited	Nil	67,460,000	0.6133%
6	MF&G Trust & Finance Ltd- A/C 58	Nil	67,450,000	0.6132%
7	Sagicor Equity Fund	Nil	67,302,470	0.6118%
8	Mayberry Jamaican Equities Limited	Nil	40,498,862	0.3682%
9	Patrick J. Fletcher	Donna A. Chrisanderson-Fletcher	37,983,805	0.3453%
10	First Jamaica/UHWI Pension Scheme	Nil	27,460,000	0.2496%

Shareholdings of Directors as at June 30, 2019

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver W. Holmes	-	1,000,000	1,000,000
Nigel Day	-	-	-
Jacqueline Stewart Lechler	8,730,000	8,730,000	17,460,000
M Georgia Gibson Henlin	-	-	-
Gregory B. Shirley	2,000,000	-	2,000,000
Hugh Johnson	-	-	-

Shareholdings of Senior Executives as at June 30, 2019

Shareholdings of Senior Executives	Direct	Connected Parties	Total
Earl Barrett	2,000,000	-	2,000,000
Rohan Hay	-	-	-
Michelle Chin Lenn	800,000	-	800,000
Shaun Treasure	200,000	200,000	400,000