Wigton Windfarm Limited

Financial Statements
31 March 2020

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Independent auditor's report

To the Members 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 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

Wigton Windfarm Limited's financial statements comprise:

- the statement of financial position as at 31 March 2020;
- 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, which include significant accounting policies.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

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.

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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. We have determined that there are no key audit matters to communicate in our report.

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 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, related safeguards.

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
13 July 2020
Kingston, Jamaica

Wigton Windfarm Limited

Statement of Comprehensive Income

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	Restated 2019 $'000
Sales		2,416,753	2,447,595
Cost of sales		(763,852)	(740,162)
Gross Profit		1,652,901	1,707,433
Other income	6	220,889	502,994
General administrative expenses		(478,577)	(433,539)
Operating Profit		1,395,213	1,776,888
Finance expense	9	(526,643)	(1,049,526)
Profit before Taxation		868,570	727,362
Taxation	10	(205,822)	(233,768)
Net Profit		662,748	493,594
Other comprehensive income, net of taxes -			
Items that will not be reclassified to profit or loss -			
Remeasurements of pension and other post-employment benefits	10	1,272	19,103
TOTAL COMPREHENSIVE INCOME		664,020	512,697
Earning per stock unit for profit attributable to the equity holders of the Company during the year	12	$0.06	$0.04

Wigton Windfarm Limited

Statement of Financial Position

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	Restated 2019 $'000	Restated 2018 $'000
Non-Current Assets				
Property, plant and equipment	11	7,434,593	7,997,089	8,363,008
Right-of-use assets	22	165,032	-	-
Pension plan asset	13	-	82,702	67,499
		7,599,625	8,079,791	8,430,507
Current Assets				
Inventories		6,930	-	-
Accounts receivable	15	289,392	134,815	175,176
Taxation recoverable		22,244	59,710	60,591
Cash and cash equivalents	17	2,679,744	1,376,599	690,367
		2,998,310	1,571,124	926,134
Current Liabilities				
Due to former parent company	16	19,459	19,459	24,485
Accounts payable	18	82,105	119,498	100,947
Current portion of lease liabilities	22	15,248	-	-
Current portion of long-term liabilities	21	730,258	22,546	770,475
		847,070	161,503	895,907
Net Current Assets		2,151,240	1,409,621	30,227
		9,750,865	9,489,412	8,460,734
Equity				
Share capital	19	202,598	202,598	202,598
Retained earnings		3,254,497	2,590,477	2,077,780
		3,457,095	2,793,075	2,280,378
Non-Current Liabilities				
Capital grants	20	82,917	103,090	123,265
Lease liabilities	22	158,899	-	-
Long term liabilities	21	5,559,986	6,250,731	5,945,690
Post-employment benefit obligation	13	25,357	26,925	30,164
Pension plan liability	13	5,279	-	-
Deferred tax liabilities	14	461,332	315,591	81,237
		6,293,770	6,696,337	6,180,356
		9,750,865	9,489,412	8,460,734

Approved for issue by the Board of Directors on 10 July 2020 and signed on its behalf:

Oliver W. Holmes — Chairman

Earl Barrett — Managing Director

Wigton Windfarm Limited

Statement of Changes in Equity

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2018, as previously stated		11,000,000	202,598	2,117,972	2,320,570
Restatement (Note 25)		-	-	(40,192)	(40,192)
Balance at 1 April 2018, as restated		11,000,000	202,598	2,077,780	2,280,378
Net profit, as restated		-	-	493,594	493,594
Remeasurements of pension and other post-employment benefits	10	-	-	19,103	19,103
Total comprehensive income for 2019		-	-	512,697	512,697
Balance at 31 March 2019, as restated		11,000,000	202,598	2,590,477	2,793,075
Net profit		-	-	662,748	662,748
Remeasurements of pension and other post-employment benefits	10	-	-	1,272	1,272
Total comprehensive income for 2020		-	-	664,020	664,020
Balance at 31 March 2020		11,000,000	202,598	3,254,497	3,457,095

Wigton Windfarm Limited

Statement of Cash Flows

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	Restated 2019 $'000
SOURCES OF CASH:			
Operating Activities			
Net Profit		662,748	493,594
Items not affecting cash:			
Depreciation	11	669,755	665,225
Gain on sale of property, plant and equipment		(1,698)	-
Interest income	6	(52,660)	(19,642)
Interest expense	9	507,388	381,806
Pension plan asset		83,154	475
Post-employee benefit obligation		4,955	6,555
Taxation	10	205,822	233,768
Amortisation of upfront fees on loan	9	19,255	-
Amortisation of grant	20	(20,173)	(20,175)
Amortisation of right of use asset	22	11,004	-
Exchange (gain)/loss on foreign balances		(34,661)	53,071
		2,054,889	1,794,677
Change in operating assets and liabilities:			
Inventory		(6,930)	
Accounts receivable		(154,577)	40,360
Due to former parent company		-	(5,025)
Accounts payable		(37,393)	18,552
		1,855,989	1,848,564
Tax paid		(23,039)	(4,903)
Cash provided by operating activities		1,832,950	1,843,661
Financing Activities			
Loans repaid		-	(6,716,165)
Loans received		-	6,250,731
Lease repaid during the year		(15,248)	-
Interest paid		(496,314)	(359,260)
Cash used in financing activities		(511,562)	(824,694)
Investing Activities			
Purchase of property, plant and equipment	11	(108,251)	(299,306)
Proceeds from sale of property plant and equipment		2,690	-
Interest received		52,660	19,642
Cash used in investing activities		(52,901)	(279,664)
Increase in cash and cash equivalents		1,268,487	739,303
Exchange gains/ loss on cash and cash equivalents		34,658	(53,071)
Cash and cash equivalents at beginning of year		1,376,599	690,367
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	17	2,679,744	1,376,599

The principal non-cash transactions included within the cashflow as at 31 March 2020:

- Amortization of loan fees in the amount of $19,255,000.
- Amortization of the right of use asset in the amount of $11,004,000.

Wigton Windfarm Limited
Notes to the Financial Statements
31 March 2020
(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. It was formerly a wholly owned subsidiary of the Petroleum Corporation of Jamaica. On 22 May 2019, the Company became a publicly listed entity on the Jamaica Stock Exchange's Main Market. The principal activity of the Company is the generation and sale of electricity from wind technology, its registered office is located at 36 Trafalgar Road, Kingston 10.

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and the specific industry in which the Company operates is uncertain at this point and has the potential to continue to adversely affect our business, results of operations or financial condition, the impact of which is still under assessment.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

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

Wigton Windfarm Limited

Notes to the Financial Statements
31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

- **IFRS 16, 'Leases'** (effective for annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied).The International Accounting Standards Board (IASB) published IFRS 16, 'Leases', which replaces the current guidance in IAS 17. This will require changes in accounting by lessees in particular. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. See Note 2(m), 4, 22 and 23 for the impact of IFRS 16 on the Company.

- **IFRIC 23, 'Uncertainty over income tax** treatments' (effective for annual periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There was no significant impact on the financial statements arising from the adoption of the interpretation.

- **Amendment to IFRS 9, 'Financial Instruments on prepayment features with negative compensation'** (effective for annual periods beginning on or after 1 January 2019). This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognized immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. There was no impact from the adoption of this amendment.

- **Annual improvements to IFRS 2015 - 2017 Cycle – Amendments to IAS 12 and IAS 23 (effective for annual periods beginning on or after 1 January 2019).** The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises. The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company was not significantly impacted from the adoption of these amendments.

- **Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement (effective for annual periods beginning on or after 1 January 2019)**. These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and recognise in profit or loss as a part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company was not significantly impacted from the adoption of these amendments.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the 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 2020 or later periods, but were not effective at the yearend date, and which the Company has not early adopted.

- **Amendments to IAS 1 and 8 on the definition of material** (effective for annual periods beginning on or after 1 January 2020). The amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRS: i) use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

  The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole.

  The amendment also clarifies the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The amendment is not expected to have a significant impact on the Company.

  Amendments to IAS 1, Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2022), on classification of liabilities These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment is not expected to have a significant impact on the Company.

- **Amendments to IFRS 9, IAS 39 and IFRS 7** (effective for annual periods beginning or after January 1, 2020) – Interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The adoption of these amendments is not expected to have a significant impact on the Company.

Wigton Windfarm Limited

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Company

- **Revised Conceptual Framework for Financial Reporting** (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies, will need to consider whether their accounting policies are still appropriate under the revised Framework. The Company is currently assessing the impact of this standard.

Wigton Windfarm Limited

Notes to the Financial Statements
31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (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 assets

Trade Receivables

Trade receivables relate mainly to Jamaica Public Service (JPS), through which all of the Company's business is transacted. Receivables are generally due for settlement within 45 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows. The cash flows of the Company's trade receivables are solely payments of principal and interest (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, balances dues from related parties and other receivables.

Impairment

The Company's trade receivables and other financial assets at amortised cost are subject to the expected credit loss model in determination of impairment.

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 2020 and 1 April 2019 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 the Jamaica Public Service (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.

2. Significant Accounting Policies (Continued)

(b) Financial instrument (continued)

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.

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, due to former parent company and long term liabilities.

Financial instruments on the statement of financial position include cash and cash equivalents, receivables and payables. The particular 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).

2. Summary of Significant Accounting Policies (Continued)

(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.

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.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Other operating income
Other operating income is recognised as they accrue unless collectability is in doubt.

2. Summary of Significant Accounting Policies (Continued)

(e) Property, plant and equipment and depreciation

All property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated on the straight line basis to write off the cost of each asset, to its residual value over its estimated useful life as follows:

Plant	20 years
Computers	5 years
Service equipment	20 years
Furniture, fixtures and equipment	10 years
Motor vehicles	5 years
Training lab	20 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit. Repairs and maintenance expenses are charged to the profit or loss in the statement of comprehensive income when the expenditure is incurred.

(f) Impairment of long-lived assets

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

(g) Income taxes

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

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The 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.

2. Summary of Significant Accounting Policies (Continued)

(h) Accounts receivable

Recognition, measurement and impairment of trade receivables balances under IFRS 9 are dealt with under note 2 (b).

Bad debts are written off during the year in which they are identified.

(i) Cash and cash equivalent

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

(j) Accounts payable

Payables are recorded at cost.

(k) 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.

(l) Borrowings

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

(m) Leases

As Lessee

As at 1 April 2019:

As of the 1 April 2019, 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), less any lease incentives receivable
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee 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.

Wigton Windfarm Limited

2. Summary of Significant Accounting Policies (Continued)

(m) Leases (continued)

Policy applicable before 1 April 2019

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

(n) Employee benefits

Pension benefits

Up to May 2019, the Company participated in a defined benefit pension scheme operated by Petroleum Corporation of Jamaica, its former parent company. The scheme was generally 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.

Wigton withdrew as a participating Employer from the PCJ pension plan as at 31 May 2019 and fully settled their pension obligations in this plan. A new Defined Benefit Plan was established for Wigton's employees effective 1 April 2019.

In June 2019, the Company commenced contributing to an Approved Retirement Scheme, while a new defined benefit pension plan is being finalised.

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.

Wigton Windfarm Limited

Notes to the Financial Statements
31 March 2020
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2. Summary of Significant Accounting Policies (Continued)

(o) 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.

(p) Segment information

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

Wigton Windfarm Limited
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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 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:

	2020	**2019**
	$'000	**$'000**
Trade and other receivables	195,610	106,697
Cash and cash equivalents	2,679,744	1,376,599
	2,875,354	1,483,296

The above table represents a worst-case scenario of credit risk exposure to the Company at 31 March 2020 and 2019.

Wigton Windfarm Limited
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets

The Company has the following types of financial assets subject to IFRS 9's expected credit loss model:

- trade receivables from the sale of electricity, and
- amounts due from the former parent company.

Trade receivables
The Company's average credit period on sale of 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 (2019 – $Nil) based on a probability of default of 0.001%. To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics. As at 31 March 2020, the company had current accounts receivable and other receivables of $195,610,000 (2019 - $106,697,000). The trade receivables and other receivables that were past due then were $Nil (2019 – $Nil).

(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.

Wigton Windfarm Limited
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

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 2020:					
Accounts payable	51,166	-	-	-	51,166
Due to former parent company	19,459	-	-	-	19,459
Lease liabilities	8,388	19,276	100,853	141,976	270,493
Long term liabilities	119,416	1,198,769	5,306,493	2,464,419	9,089,097
	198,429	1,218,045	5,407,346	2,606,395	9,430,215
At 31 March 2019:					
Accounts payable	98,292	-	-	-	98,292
Due to parent company	19,459	-	-	-	19,459
Long term liabilities	146,797	355,737	4,381,747	4,686,023	9,570,304
	264,548	355,737	4,381,747	4,686,023	9,688,055

(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.

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2020

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk

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

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. 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.

Concentrations of currency risk

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

	Jamaican$ J$'000	US$ J$'000	Euro J$'000	Total J$'000
At 31 March 2020:				
Financial Assets				
Receivables	195,610	-	-	195,610
Cash and cash equivalents	1,495,070	1,184,674	-	2,679,744
Total financial assets	1,690,680	1,184,674		2,875,354
Financial Liabilities				
Payables	51,166	-	-	51,166
Due to former parent company	19,459	-	-	19,459
Lease liabilities	-	174,147	-	174,147
Long term liabilities	6,290,244	-	-	6,290,244
Total financial liabilities	6,360,869	174,147	-	6,535,016
Net financial position	(4,670,189)	1,010,527	-	(3,659,662)

	Jamaican$ J$'000	US$ J$'000	Euro J$'000	Total J$'000
At 31 March 2019:				
Financial Assets				
Receivables	106,697	-	-	106,697
Cash and cash equivalents	634,625	741,974	-	1,376,599
Total financial assets	741,322	741,974	-	1,483,296
Financial Liabilities				
Payables	45,703	24,531	28,058	98,292
Due to parent company	19,459	-	-	19,459
Long term liabilities	6,273,277	-	-	6,273,277
Total financial liabilities	6,338,439	24,531	28,058	6,391,028
Net financial position	(5,597,117)	717,443	(28,058)	(4,907,732)

Wigton Windfarm Limited

Notes to the Financial Statements

31 March 2020

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the 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 6% devaluation and 2% revaluation (2019 – 6% devaluation and 4% revaluation) change in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange gains/losses on translation of US and Euro dollar-denominated financial assets and liabilities.

	% Change in Currency Rate	Effect on Profit before Taxation
	2020	**2020**
	'000	**$'000**
Currency:		
USD	+6%	60,632
USD	-2%	(20,210)

	% Change in Currency Rate	Effect on Profit before Taxation
	2019	**2019**
	'000	**$'000**
Currency:		
USD	+6%	43,047
USD	-4%	(28,698)
EURO	+6%	(1,683)
EURO	-4%	1,122

Wigton Windfarm Limited
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) *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.

	Fixed rate instrument/Variable rate instrument/Non-Interest Bearing instrument	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2020:							
Financial Assets							
Accounts receivable	Non-Interest-Bearing instrument	-	-	-	-	195,610	195,610
Cash and cash equivalents	All	2,679,709	-	-	-	35	2,679,744
Total assets		2,679,709	-	- -		195,645	2,875,354

Wigton Windfarm Limited
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) *Interest rate risk (continued)*

	Fixed rate instrument/Variable rate instrument/Non-Interest Bearing instrument	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Liabilities							
Accounts payable	Non-Interest-Bearing instrument	-	-	-	-	51,166	51,166
Due to former parent company	Non-Interest-Bearing instrument	-	-	-	-	19,459	19,459
Lease liabilities	Fixed rate instrument	-	15,248	57,862	101,037	-	174,147
Long term liabilities	Fixed rate instrument and Non-Interest Bearing instrument	-	697,187	3,578,798	1,998,837	15,422	6,290,244
Total liabilities		-	712,435	3,636,660	2,099,874	86,047	6,535,016
Total interest repricing gap		2,679,709	(712,435)	(3,636,660)	(2,099,874)	109,598	(3,659,662)
Cumulative repricing gap		2,679,709	1,967,274	(1,669,386)	(3,769,260)	(3,659,662)	

Wigton Windfarm Limited

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	Fixed rate instrument/Variable rate instrument/Non-Interest Bearing instrument	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2019:							
Financial Assets							
Accounts receivable	Non-Interest-Bearing instrument	-	-	-	-	106,697	106,697
Cash and cash equivalents	All	1,327,552	-	-	-	49,047	1,376,599
Total assets		1,327,552	-	-	-	155,744	1,483,296
Financial Liabilities							
Accounts payable	Non-Interest-Bearing instrument	-	-	-	-	98,292	98,292
Due to parent company	Non-Interest-Bearing instrument	-	-	-	-	19,459	19,459
Long term liabilities	Fixed rate instrument and Non-Interest Bearing instrument	-	-	2,586,074	3,664,657	22,546	6,273,277
Total liabilities		-	-	2,586,074	3,664,657	140,297	6,391,028
Total interest repricing gap		1,327,552	-	(2,606,962	(3,664,657)	15,447	(4,907,732)
Cumulative repricing gap		1,327,552	1,327,552	(1,258,522	(4,923,179)	(4,907,732)	

Wigton Windfarm Limited

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

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

The sensitivity of the profit or loss is the effect of the assumed changes in interest rate on net income based on the floating rate of non-trading financial assets and financial liabilities. The sensitivity of other comprehensive income is calculated by revaluing fixed rate Fair Value through Other Comprehensive Income (FVOCI) financial assets for the effects of the assumed changes in interest rates.

	2020		2019	
	Effect on Profit before Taxation	Other Comprehensive Income before Tax	Effect on Profit before Taxation	Other Comprehensive Income before Tax
	$'000	$'000	$'000	$'000
Change in basis points:				
Decrease - JMD -100 and USD -100	(47,519)	(50,694)	(13,436)	(57,579)
Increase - JMD +100 and USD +100	99,971	50,694	39,854	57,579

(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:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;

(ii) 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

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

3. Financial Risk Management (Continued)

(d) Fair value estimation (continued)

The fair value of the 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 amounts included in the financial statements for Cash and cash equivalents, accounts receivable and payable and due to former parent company, reflect their approximate fair values due to the short-term nature of these instruments.

(ii) The fair values of long-term liabilities as disclosed in note 21 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 Bondholders. The financial covenants include: The 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 the year end.

Net debt to equity ratio

The net debt to equity ratio decreased from 2.46 to 2.07 following the adoption of IFRS 16 Leases. Both net debt and gross assets increased following the recognition of lease liabilities and right-of-use assets on 1 April 2019.

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

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.

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

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.

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.

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.

Revenue from transactions is with the Company's single customer Jamaica Public Service (JPS). There is a contractual agreement that there is a forty-five payment period for final settlement of invoices.

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5. Segment Financial Reporting (Continued)

	2020			
	Phase I	**Phase II**	**Phase III**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross external revenues	718,185	757,827	940,741	2,416,753
Other income	20,175	-	2,190	22,365
Allocated other income	65,541	56,993	75,990	198,524
Total revenue	803,901	814,820	1,018,921	2,637,642
Segment Results	479,395	394,852	520,966	1,395,213
Interest expense				(526,643)
Profit before tax				868,570
Taxation				(205,822)
Net profit				662,748
Segment Assets	609,710	2,507,411	4,179,848	7,296,969
Unallocated Assets				3,300,966
Total assets				10,597,935
Segment liabilities	32,674	2,682,623	3,739,978	6,455,275
Unallocated liabilities				685,565
Total liabilities				7,140,840
Other segment items-				
Capital expenditure	35,738	31,077	41,436	108,251
Depreciation	121,638	246,539	301,578	669,755

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Notes to the Financial Statements
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5. Segment Financial Reporting (Continued)

	2019			
	Phase I	**Phase II**	**Phase III**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross external revenues	735,258	695,129	1,017,209	2,447,596
Other income	20,369	-	7,018	27,387
Allocated other income	157,019	136,538	182,050	475,607
Total revenue	912,646	831,667	1,206,277	2,950,590
Segment Results	575,821	542,041	659,026	1,776,888
Interest expense				(1,049,526)
Profit before tax				727,362
Taxation				(233,768)
Net profit				493,594
Segment Assets	742,921	2,691,678	4,409,147	7,843,746
Unallocated Assets				1,807,169
Total assets				9,650,915
Segment liabilities	28,058	2,734,104	3,700,675	6,462,837
Unallocated liabilities				395,003
Total liabilities				6,857,840
Other segment items-				
Capital expenditure	158,125	64,782	76,399	299,306
Depreciation	120,099	244,944	300,182	665,225

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 Jamaica Public Service (JPS) which operates in Jamaica.

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6. Other Income

	2020 $'000	2019 $'000
Grant amortisation (Note 20)	20,173	20,175
Interest income	52,660	19,642
Refund of input tax	51,359	-
Insurance claims settlement	28,396	-
Reversal of carbon credit	29,363	-
Miscellaneous	4,277	7,429
Foreign exchange gain	34,661	455,748
	220,889	502,994

7. Expenses by Nature

	2020 $'000	2019 $'000
Auditors' remuneration	2,400	2,433
Depreciation (Note 11)	669,755	665,225
Directors' emoluments –		
Fees	5,065	2,427
Insurance	91,227	71,689
Other expense	62,132	57,429
Professional fees	12,100	3,144
Rental and utility charges	12,529	25,233
Repairs and maintenance	84,848	163,825
Staff costs (Note 8)	240,353	141,196
Security costs	11,442	9,211
Amortisation of right-of -use assets (Note 22)	11,004	-
Electricity	39,574	31,889
	1,242,429	1,173,701

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Notes to the Financial Statements
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8. Staff Costs

	2020 $'000	2019 $'000
Salaries and wages	129,525	106,199
Payroll taxes – Employer's Contribution	9,524	7,366
Pension and other post-employment benefits (Note 13)	88,984	7,793
Other	12,320	19,838
	240,353	141,196

The average number of employees in 2020 was 22 (2019 – 20).

9. Finance Expense

	2020 $'000	2019 $'000
Amortisation of upfront fees on loan	19,255	5,222
Interest charge on lease liability (Note 22)	13,361	-
Interest expense – loans	494,027	381,806
Foreign exchange losses	-	662,498
	526,643	1,049,526

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10. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes and comprises income tax at 25%. Note 25 details the impact of restatements on taxation.

	2020	Restated 2019
	$'000	$'000
Current tax	59,699	3,624
Prior year(over)/under accrual of taxes	(42)	2,160
Deferred taxation (Note 14)	146,165	227,984
	205,822	233,768

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic statutory tax rate of the 25% as follows:

	2020	Restated 2019
	$'000	$'000
Profit before tax	868,570	727,362
Tax calculated at a tax rate of 25%	217,143	181,841
Adjusted for the effects of:		
Income not subject to tax	(12,567)	(5,044)
Expenses not deductible for tax purposes	12,613	58,823
Employment tax credit (ETC)	(12,224)	(1,299)
Prior year over-accrual of taxes	(42)	2,160
Net effects of other charges and allowances	899	(2,713)
Tax charge	205,822	233,768

Subject to agreement with the Taxpayer Audit and Assessment Department, the Company has tax losses of $409,604,000 (2019 - $697,294,000) to carry forward indefinitely against future taxable income.

An ETC is available to unregulated entities. These entities are now able to claim a credit of up to a maximum of 30% of the tax liability resulting from trading income, if statutory deductions (employee and employer) are paid in full by the due date. This has the potential to reduce the effective tax rate. The ETC is not available to carry forward. There are some provisions for the credit to be restricted based on dividend payments and/or other distributions. The Company has recognised an employment tax credit in the amount of $12,224,000 (2019 - $1,299,000).

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

	2020			2019		
	Before Tax	Tax Effect	After Tax	Before Tax	Tax Effect	After Tax
	$'000	$'000	$'000	$'000	$'000	$'000
Remeasurements of pension and other post-employment benefits (Note 13)	(1,696)	424	(1,272)	(25,473)	6,370	(19,103)

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11. Property, Plant and Equipment

	Plant $'000	Computer $'000	Service Equipment $'000	Furniture, Fixtures & Equipment $'000	Training Lab $'000	Motor Vehicles $'000	Capital Work in Progress $000	Total $'000
At Cost or Valuation -								
At 31 March 2018	11,107,415	76,305	386,307	60,596	95,824	47,778	32,924	11,807,149
Additions	49,908	6,093	182,612	15,826	3,614	-	41,253	299,306
Transfers	74,177	-	-	-	-	-	(74,177)	-
At 31 March 2019	11,231,500	82,398	568,919	76,422	99,438	47,778	-	12,106,455
Additions	65	10,242	95,023	2,327	594	-	-	108,251
Disposals	(241)	-	-	(34)	-	(8,950)	-	(9,225)
At 31 March 2020	11,231,324	92,640	663,942	78,715	100,032	38,828	-	12,205,481
Depreciation -								
At 31 March 2018	3,180,212	56,151	138,591	33,031	7,187	28,969	-	3,444,141
Charge (Note 7)	561,836	7,033	77,152	6,856	5,378	6,970	-	665,225
At 31 March 2019	3,742,048	63,184	215,743	39,887	12,565	35,939	-	4,109,366
Charge (Note 7)	562,245	8,559	79,377	8,960	4,987	5,627	-	669,755
Relieved on disposals	-	-	-	(28)	-	(8,205)	-	(8,233)
At 31 March 2020	4,304,293	71,743	295,120	48,819	17,552	33,361	-	4,770,888
Net Book Value -								
31 March 2020	6,927,031	20,897	368,822	29,896	82,480	5,467	-	7,434,593
31 March 2019	7,489,452	19,214	353,176	36,535	86,873	11,839	-	7,997,089

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12. Earnings per Stock Unit

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	2020 $'000	Restated 2019 $'000
Net profit attributable to shareholders	662,748	493,594
Weighted average number of ordinary shares in issue ('000)	11,000,000	11,000,000
Basic earnings per share	$0.06	$0.04

On 3 April 2019, at an extraordinary annual general meeting, the shareholders approved the stock split of each ordinary share resulting in an adjustment from 10,000 to 11,000,000,000 shares. As a result of the stock split, all prior period data presented in the financial statements have been adjusted to reflect the split.

On the 22 May 2019, the company became a listed entity of the Jamaica Stock Exchange (JSE) on the main market, all ordinary shares were authorised for issue with no par value. There were no new shares issued.

13. Pension and Other Post-Employment Benefits

	2020 $'000	2019 $'000
Asset recognised in the statement of financial position:		
Pension plan (liability)/asset	(5,279)	82,702
Post-employment benefit obligation	25,357	26,925
Amounts recognised in profit or loss:		
Pension plan asset	83,825	1,034
Post-employment benefit obligation	5,159	6,759
Total, included in staff costs (Note 8)	88,984	7,793
Amounts recognised in other comprehensive income:		
Pension plan asset	4,827	(15,678)
Post-employment benefit obligation	(6,523)	(9,795)
	(1,696)	(25,473)

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

Pension benefits

The Company participated in the defined benefit pension scheme of its former parent company. The scheme was 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. On the 31 May 2019, the Company withdrew as a participating employer and this resulted in a partial winding up of the old scheme in accordance with the rules, applicable legislation and subject to the oversight of the Financial Services Commission ("FSC"). Benefit improvements have been agreed for the pensioners, deferred pensioners and active members of the old scheme. The assets (including surplus) relating to the benefits of the terminated members and pensioners that have remained in the PCJ Plan and have been transferred to PCJ accordingly.

A replacement fund was established, and this was approved by the FSC subsequent to the year end Note 24 (a).The amounts recognised in the statement of financial position are determined as follows:

	2020 $'000	2019 $'000
Present value of funded obligations	8,881	90,496
Fair value of plan assets	(3,602)	(173,198)
Liability/(asset) in the statement of financial position	5,279	(82,702)

The movement in the fair value of plan assets during the year was as follows:

	2020 $'000	2019 $'000
At beginning of year	173,198	131,677
Remeasurement of plan assets – experience gains	5,104	28,117
Assets used to settle liabilities	(180,995)	-
Interest income on plan assets	2,071	10,001
Benefits paid	(40)	(242)
Contributions	4,264	3,645
At end of year	3,602	173,198

The movement in the present value of the defined benefit obligation during the year was as follows:

	2020 $'000	2019 $'000
At beginning of year	90,496	64,178
Current service cost	7,138	6,231
Interest cost	1,026	4,804
Liabilities settled	(103,263)	-
	(4,603)	75,213
Remeasurements -		
Losses from change in financial assumptions	-	10,195
Experience losses	9,931	2,244
	9,931	12,439
Employee contribution	3,593	3,086
Benefits paid	(40)	(242)
At end of year	8,881	90,496

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

Pension benefits (continued)

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

	2020 $'000	2019 $'000
Current service costs	7,138	6,231
Interest cost on defined benefit obligation	1,026	4,804
Interest income on plan assets	(2,071)	(10,001)
Settlement cost	77,732	-
Total, included in staff costs (Note 8)	83,825	1,034

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

	2020 $'000	2019 $'000
Remeasurements of the plan assets	4,827	(15,678)
Remeasurements of the defined benefit obligation	(6,523)	(9,795)
	(1,696)	(25,473)

Expected employer contributions for the year ending 31 March 2020 amount to $711,000 (2019: $587,000).

The distribution of plan assets was as follows:

	2020		2019	
	$'000	%	$'000	%
Equity Fund	-	-	67,575	39
Fixed Income Fund	-	-	656	0
Mortgage and Real Estate Fund	-	-	51,837	30
International Equity Fund	-	-	17,947	11
Foreign Currency Fund	-	-	18,533	11
Inflation Linked Fund	-	-	16,014	9
Other	3,602	100	636	0
	3,602	100	173,198	100

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

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 amounts recognised in the statement of financial position were determined as follows:

	2020 $'000	2019 $'000
Present value of unfunded obligations	25,357	26,925

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

	2020 $'000	2019 $'000
At beginning of year	26,925	30,164
Current service cost	3,281	4,504
Interest cost	1,878	2,255
	32,084	36,923
Remeasurement -		
Experience losses	(6,523)	(9,794)
Benefits paid	(204)	(204)
At end of year	25,357	26,925

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

	2020 $'000	2019 $'000
Current service cost	3,281	4,504
Interest cost	1,878	2,255
Total, included in staff costs (Note 8)	5,159	6,759

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

	2020 $'000	2019 $'000
Remeasurement of defined benefit obligation	(6,523)	(9,794)

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

Other post-employment benefits (continued)

Principal actuarial assumptions

The principal actuarial assumptions used were as follows:

	2020	2019
Discount rate	6.50%	7.00%
Future salary increases	5.00%	5.00%
Future pension increases	0.00%	0.50%
Inflation rate	3.00%	3.00%
Medical cost rate	5.50%	5.50%

The sensitivity of the defined benefit obligation for pension benefits to changes in the principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(2,031)	2,844
Future salary increase	1%	1,663	(1,358)
Future pension increase	1%	995	-

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

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

Other post-employment benefits (continued)

The sensitivity of other post-employment benefits to changes in the principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		$'000	**$'000**
Discount rate	1%	(5,677)	7,963
Medical cost rate	1%	7,963	(5,769)

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

13. 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 2020 were invested in the Fixed Income Fund.

The weighted average duration of the pension defined benefit obligation is 45 years, and the weighted average duration of the medical defined benefit obligation is 41 years.

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14. Deferred Income Taxes

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

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

	2020 $'000	Restated 2019 $'000
Balance as at 1 April	(315,591)	(81,237)
Charged in arriving at profit or loss (Note 10)	(146,165)	(227,984)
Credited/(Charged) to other comprehensive income (Note 10)	424	(6,370)
Balance as at 31 March	(461,332)	(315,591)

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

Deferred tax liabilities	Pension Plan Asset	Unrealised Foreign Exchange gains	Accelerated Tax Depreciation	Lease Liabilities	Interest Receivable	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 March 2018, as restated	(16,875)	(2,007)	(758,972)	-	-	(777,854)
Credited/(charged) to profit or loss	119	2,007	(127,305)	-	-	(125,179)
Charged to other comprehensive income	(3,920)	-	-	-	-	(3,920)
At 31 March 2019, as restated	(20,676)	-	(886,277)	-	-	(906,953)
Credited/(charged) to profit or loss	23,203	-	(37,379)	(3,812)	(1,934)	(19,922)
Credited to comprehensive income	(1,207)	-	-	-	-	(1,207)
At 31 March 2020	1,320	-	(923,656)	(3,812)	(1,934)	(928,082)

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14. Deferred Income Taxes (Continued)`

Deferred tax assets	Unrealised and Realised FX losses	Interest Payable	Post-Employment Benefit Obligation	Tax Losses	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 March 2018, restated	504,803	-	7,541	183,565	708	696,617
(Charged)/ Credited to profit or loss	(101,188)	5,636	1,639	(9,241)	348	(102,806)
Credited to comprehensive income	-	-	(2,449)	-	-	(2,449)
At 31 March 2019, as restated	403,615	5,636	6,731	174,324	1,056	591,362
(Charged)/ Credited to profit or loss	(51,881)	(557)	(2,023)	(71,923)	141	(126,243)
Charged to comprehensive income	-	-	1,631	-	-	1,631
At 31 March 2020	351,734	5,079	6,339	102,401	1,197	466,750

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14. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2020 $'000	Restated 2019 $'000
Deferred tax assets	466,750	591,362
Deferred tax liabilities	(928,082)	(906,953)
	(461,332)	(315,591)

	2020 $'000	Restated 2019 $'000
Deferred tax assets to be recovered after more than 12 months	452,083	581,282
Deferred tax liabilities to be settled after more than 12 months	(926,148)	(906,953)

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15. Accounts Receivable

	2020 $'000	2019 $'000
Trade	183,380	98,207
Prepayments	36,352	27,862
Taxation recoverable - General Consumption Tax	57,430	256
Other	12,230	8,490
	289,392	134,815

16. Related Party Transactions and Balances

For the year ended 31 March 2019, the Petroleum Corporation of Jamaica (PCJ) was the parent company of Wigton Windfarm Limited and included in the Statement of Financial Position and Statement of Comprehensive Income were balances and transactions totaling $19,459,000 and $6,548,000 respectively. As at 31 March 2020, Wigton is no longer a related party of PCJ. The amount of $19,459,000 remains payable to the former parent company as at 31 March 2020.

(a) Key management personnel compensation

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

	2020 $'000	2019 $'000
Wages and salaries	21,714	29,805
Pension benefits	217	187
Payroll taxes – Employer's Contribution	1,253	1,092
Other post-employment benefits	1,355	1,318
Other	5,640	6,979
	30,179	39,381

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

	2020 $'000	2019 $'000
Directors' emoluments –		
Director Fees	5,065	2,427
Management Remuneration	15,025	-

17. Cash and Cash Equivalent

	2020 $'000	2019 $'000
Cash at bank and in hand	56,459	55,686
Short term deposits	726,067	510,495
Resale agreements	1,897,218	810,418
	2,679,744	1,376,599

The weighted average effective interest rate at the year-end was 3.11% (2019 – 2.01%) on US$, 2.58% (2019 – 2.05%) on J$ short term deposits.

18. Accounts Payable

	2020 $'000	2019 $'000
Accruals	24,297	40,596
General Consumption Tax	30,939	21,206
Provision- Carbon Credit	-	28,057
Other payables	26,869	29,639
	82,105	119,498

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19. Share Capital

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

On 3 April 2019, at an extraordinary annual general meeting, the shareholders approved the stock split of each ordinary share resulting in an adjustment from 10,000 to 11,000,000,000 shares. As a result of the stock split, all prior period data presented in the financial statements have been adjusted to reflect the split.

On the 22 May 2019, the company became a listed entity of the Jamaica Stock Exchange (JSE) on the main market, all ordinary shares were authorised for issue with no par value. There were no new shares issued.

20. Capital Grants

This represents grant received from the Dutch Government to assist in the construction of the Wind turbines and will be amortised over the useful lives of the assets.

	2020 $'000	2019 $'000
Cost of grant	403,495	403,495
Less: Accumulated amortisation	(320,578)	(300,405)
Closing balance	82,917	103,090

	2020 $'000	2019 $'000
Opening balance	103,090	123,265
Less: Amortisation (Note 6)	(20,173)	(20,175)
Closing balance	82,917	103,090

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21. Long Term Liabilities

	2020 $'000	2019 $'000
(i) Senior Secured Bonds:		
Series A	710,000	710,000
Series B	1,953,000	1,953,000
Series C	1,674,587	1,674,587
Series D	2,011,000	2,011,000
Unamortised upfront fees on loan	(78,601)	(97,856)
	6,269,986	6,250,731
Interest Payable	20,258	22,546
	6,290,244	6,273,277
Less: Current portion	(730,258)	(22,546)
	5,559,986	6,250,731

(ii) This represents capital raised by the Company by way of a placement of a series of JMD denominated senior secured bonds (Bond A-D).

Series A - This bond has a coupon rate of 6.65% with coupon payment frequency on a quarterly basis. The principal is payable in full at maturity. The maturity date of the bond is 14 December 2020.

Series B - This bond has a coupon rate of 7.40% with coupon payment frequency on a quarterly basis. Principal is payable in full at maturity. The maturity date of the bond is 14 December 2023.

Series C - This bond has a coupon rate of 7.90% with coupon payment frequency on a quarterly basis. Principal is payable in full at maturity. The maturity date of the bond is 14 December 2025.

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21. Long Term Liabilities (Continued)

Senior Secured Bonds (continued)

Series D - This bond has a coupon rate of 8.40% with coupon payment frequency on a quarterly basis. Principal is payable in full at maturity. The maturity date of the bond is 14 December 2028.

The bonds are secured by a debenture setting out a floating charge, over all fixed and floating assets of the Company.

The exposure of the Company's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	2020 $'000	2019 $'000
0-12 months	730,258	22,546
1-5 years	5,559,986	6,250,731
	6,290,244	6,273,277

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

	Carrying amount		Fair value	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Long term liabilities	5,559,986	6,250,731	5,068,699	5,757,904
	5,559,986	6,250,731	5,068,699	5,757,904

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	1 April 2019	Financing cash flows	31 March 2020
	$'000	$'000	$'000
Senior Secured Bonds (A – D)	6,273,277	16,967	6,290,244
	6,273,277	16,967	6,290,244

Financing cash flow represents movement on interest payable and amortisation of loan fees during the period.

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21. Long Term Liabilities (Continued)

Reconciliation of liabilities arising from financing activities(continues)

	1 April 2018 $'000	Proceeds received $'000	Repayment of loan $'000	31 March 2019 $'000
PetroCaribe	6,716,175	-	(6,716,175)	-
Senior Secured Bonds (A – D)	-	6,250,731	-	6,250,731
	6,716,175	6,250,731	(6,716,175)	6,250,731

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22. Leases

(i) Amount recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2020 $'000	1 April 2019 $'000
Right -of-use assets		
Land	165,032	176,034
	165,032	176,034
Lease Liabilities		
Current	15,248	15,248
Non-Current	158,899	160,786
	174,147	176,034

(ii) Amounts recognised in the statement of profit and loss. The statement of profit or loss shows the following amounts relating to leases:

	2020 $'000
Amortisation charge of right -of-use assets (Note 7)	11,004
Interest expense (Note 9)	13,361

The total cash outflow for leases in 2020 was $15,248,000

The Company leases land. These lease contracts are typically made for fixed periods of 20 years.

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22. Leases (Continued)

Prior to the 1 April 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. Effective 1 April 2019, 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.

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23. Change in Accounting Policy

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements.

The Company has adopted IFRS 16 Leases retrospectively from 1 April 2019 but has not restated comparative for the 2019 reporting period as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 April 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average Company's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 7.95%.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019.

The significance of the underlying asset to the Company's operations may affect their decisions about whether it is reasonably certain to exercise a purchase or renewal option. With the adoption of IFRS 16, the company would have considered their option for the renewal of the land upon the expiration of the agreements and based on the nature of the operations of the company the following factors would have been considered:

- The life span of the Purchase Power Agreement (PPA) normally a period of 20 years, upon expiration a new agreement would have to be obtained from the Ministry of Science, Energy and Technology (MSET).The useful life of the wind turbines are generally 20 years (the life span of the PPA). The industry norm is not to extend the life of the wind turbines, which would normally be obsolete and expensive to maintain. Therefore, the company will be guided by the industry norm where older (obsolete) wind turbines are replaced with more modern equipment which will have higher efficiency and significant reduction in maintenance cost.

23. Change in Accounting Policy (Continued)

(i) Measurement of Lease Liabilities

	1 April 2019 $'000
Operating Lease commitments disclosed as at 31 March 2019	190,122
Discounted using the lessee's incremental borrowing rate at the date of initial application	(14,088)
Lease liability recognised as at 1 April 2019	176,034
Of which are:	
Current lease liabilities	15,248
Non-current lease liabilities	160,786
	176,034

(ii) Measurement of right-of-use asset

The associated right-of-use assets for leases of land were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 March 2019.

(iii) Adjustment recognised in the statement of financial position on 1 April 2019

The change in accounting policy affected the following items on the statement of financial position on 1 April 2019:

- Right-of-use assets- increased by $176,034,000,
- Lease liabilities – increased by $176,034,000, and
- The net impact on retained earnings on 1 April 2019 was nil.

24. Subsequent Events

(a) Wigton Windfarm Limited Superannuation Fund was approved by the Financial Services Commission on April 29, 2020. The plan is a defined benefit pension scheme. The scheme will be funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

(b) On the 2 June 2020, the Company declared an interim dividend of $0.0025 per share payable on August 13, 2020 to stockholders on record as at June 16, 2020. The ex-dividend date is June 15, 2020.

25. Restatement

Restatement of the prior year balances relates to the below:

Foreign exchange losses relating to loans used to acquire capital assets are not allowed as a deduction in computing chargeable income for tax purposes. Instead, these amounts are capitalized notionally when they are realized and written off as taxable expense at prescribed capital allowance rates thereafter. The unutilized capitalized amounts gave rise to a deferred tax asset which was not properly accounted for by the Company in the prior year balances. Based on the review of the finalised tax computation for the periods 2019 and 2018 the following was highlighted:

(a) As at 1 April 2018, the deferred tax asset recognised was overstated by an amount of $39 million which was due to an overstatement of the realised foreign exchange losses by approximately $159 million.

(b) As at 1 April 2019, the deferred tax asset recognised was overstated by an amount of $113 million which was due to an overstatement of the realised foreign exchange losses by approximately $452 million.

In addition, as at 1 April 2019, there were other differences which resulted in a net movement of $13,923,000. This was attributed by a reduction in the deferred tax liability by $22,167,000 (accelerated depreciation - $13,278,000 and foreign exchange losses - $8,889,000) and a reduction in the deferred tax assets in the amount of $8,244,000 which was in relation to tax losses.

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25. Restatement (Continued)

The table below reflects the effect of the above restatement on the statement of comprehensive income for the year ended 31 March 2019.

	2019		
	As previously stated $'000	**Restatement $'000**	**Restated $'000**
Sales	2,447,595	-	2,447,595
Cost of sales	(740,162)	-	(740,162)
Gross Profit	1,707,433	-	1,707,433
Other income	502,994	-	502,994
General administrative expenses	(433,539)	-	(433,539)
Operating Profit	1,776,888	-	1,776,888
Finance expense	(1,049,526)	-	(1,049,526)
Profit before Taxation	727,362	-	727,362
Taxation	(173,027)	(60,741)	(233,768)
Net Profit	554,335	(60,741)	493,594
Other comprehensive income, net of taxes -			
Items that will not be reclassified to profit or loss -			
Remeasurements of pension and other post-employment benefits	19,103	-	19,103
TOTAL COMPREHENSIVE INCOME	573,438	(60,741)	512,697
Earning per stock unit for profit attributable to the equity holders of the Company during the year	$0.05	($0.01)	$0.04

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25. Restatement (Continued)

The table below reflects the effect of the above restatement on the statement of financial position as at 31 March 2019.

	2019		
	As previously stated $'000	Restatement $'000	Restated $'000
Non-Current Assets			
Property, plant and equipment	7,997,089	-	7,997,089
Pension plan asset	82,702	-	82,702
	8,079,791	-	8,079,791
Current Assets			
Accounts receivable	134,815	-	134,815
Taxation recoverable	61,545	(1,835)	59,710
Cash and cash equivalents	1,376,599	-	1,376,599
	1,572,959	(1,835)	1,571,124
Current Liabilities			
Due to parent company	19,459	-	19,459
Accounts payable	119,498	-	119,498
Current portion of long-term liabilities	22,546	-	22,546
	161,503	-	161,503
Net Current Assets	1,411,456	(1,835)	1,409,621
	9,491,247	(1,835)	9,489,412
Equity			
Share capital	202,598	-	202,598
Retained earnings	2,691,410	(100,933)	2,590,477
	2,894,008	(100,933)	2,793,075
Non-Current Liabilities			
Capital grants	103,090	-	103,090
Long term liabilities	6,250,731	-	6,250,731
Post-employment benefit obligation	26,925	-	26,925
Deferred tax liabilities	216,493	99,098	315,591
	9,491,247	(1,835)	9,489,412

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25. Restatement (Continued)
The table below reflects the effect of the above restatement on the statement of cash flows for the year ended 31 March 2019.

	Note	2019 $'000	Restatement $'000	Restated 2019 $'000
SOURCES OF CASH:				
Operating Activities				
Net profit		554,335	(60,741)	493,594
Items not affecting cash:				
Depreciation	11	665,225	-	665,225
Interest income	6	(19,642)	-	(19,642)
Interest expense	9	381,806	-	381,806
Pension plan asset		475	-	475
Post-employee benefit obligation		6,555	-	6,555
Taxation	10	173,027	60,741	233,768
Amortisation of grant	20	(20,175)	-	(20,175)
Exchange (gain)/loss on foreign balances		53,071		53,071
		1,794,677	-	1,794,677
Change in operating assets and liabilities:				
Accounts receivable		40,360	-	40,360
Due to parent company		(5,025)	-	(5,025)
Accounts payable		18,552	-	18,552
		1,848,564	-	1,848,564
Tax paid		(4,903)		(4,903)
Cash provided by operating activities		1,843,661	-	1,843,661

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25. Restatement (Continued)

The table below reflects the effect of the above restatement on the statement of financial position as at 31 March 2018.

	2018		
	As previously stated $'000	Restatement $'000	Restated $'000
Non-Current Assets			
Property, plant and equipment	8,363,008	-	8,363,008
Pension plan asset	67,499	-	67,499
	8,430,507	-	8,430,507
Current Assets			
Accounts receivable	175,176	-	175,176
Taxation recoverable	61,106	(515)	60,591
Cash and cash equivalents	690,367	-	690,367
	926,649	(515)	926,134
Current Liabilities			
Due to parent company	24,485	-	24,485
Accounts payable	100,947	-	100,947
Current portion of long-term liabilities	770,475	-	770,475
	895,907	-	895,907
Net Current Assets	30,742	(515)	30,227
	8,461,249	(515)	8,460,734
Equity			
Share capital	202,598	-	202,598
Retained earnings	2,117,972	(40,192)	2,077,780
	2,320,570	(40,192)	2,280,378
Non-Current Liabilities			
Capital grants	123,265	-	123,265
Long term liabilities	5,945,690	-	5,945,690
Post-employment benefit obligation	30,164	-	30,164
Deferred tax liabilities	41,560	39,677	81,237
	6,140,679	(515)	6,180,356
	8,461,249	(515)	8,460,734