

Wigton Windfarm Limited
Unaudited Financial Statements
For Quarter Ended 30 June 2020

Wigton Windfarm Limited
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Quarter Ended 30 June 2020

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Unaudited Financial Statements

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Wigton Windfarm Limited
Interim Report to Shareholders
Quarter Ended 30 June 2020

The Directors are pleased to present the unaudited financial results for the first quarter ended June 30, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

FIRST QUARTER FINANCIAL HIGHLIGHTS

Description	Quarter 1 - April to June 2020	Quarter 1 - April to June 2019	Change %
	kWh	kWh	
Production	46,508,754	55,331,319	(15.9)
Availability	97%	97%	-
	\$	\$	
Total Revenue	819,670,284	900,850,335	(9.0)
Total Expenses	423,993,480	418,741,157	(1.3)
Net Profit After Tax	300,714,371	366,402,976	(17.9)
Gross Profit Margin	72.3%	76.9%	(4.6)
Earnings Per Share	0.027	0.033	(18.2)

FIRST QUARTER FINANCIAL PERFORMANCE

For the quarter ended June 30, 2020, Wigton Windfarm Limited (Wigton) ended the period with a 17.9% decrease in Net Profit. Net Profit amounted to \$300.7 million versus \$366.4 million earned the same period last year (SPLY). With 11 billion stock units, the Net Profit equates to Earnings Per Share (EPS) of \$0.027, a decrease of \$0.006 over the corresponding period.

The average plant availability rate was approximately 97%, ahead of the target of 93.9% which led to total production output of 46,508,754 kWh. This availability rate was consistent with the previous year's 97%. The two main factors that affect our production are wind speed and plant availability, with wind speed being the most critical element impacting output. For 2020 the wind regime for the period under review was lower than that of 2019.

Total revenue for the period was \$819.7 million representing a 9% decrease when compared to the amount generated in the SPLY, which was \$900.9 million. The change was largely due to the decrease in sales which resulted from a lower wind regime in the current reporting period.

Total Expenses were \$424.0 million, which is 1.3% or \$5.3 million above the \$418.7 million incurred in the SPLY.

Wigton Windfarm Limited

Interim Report to Shareholders

Quarter Ended 30 June 2020

Description	Quarter 1 - April to June 2020	Quarter 1 - April to June 2019	Change %
	\$'000	\$'000	
Non-current Assets	7,427,454	7,927,460	(6.3)
Current Assets	<u>3,527,546</u>	<u>2,204,993</u>	60
Total Assets	<u>10,955,000</u>	<u>10,132,453</u>	8.1
Non-current liabilities	6,289,766	6,712,716	6.3
Current liabilities	<u>907,425</u>	<u>159,326</u>	(469.5)
Sub-total	7,197,191	6,872,042	(4.7)
Equity	<u>3,757,809</u>	<u>3,260,411</u>	15.3
Total liabilities	<u>10,955,000</u>	<u>10,132,453</u>	(8.1)

Wigton closed the period with total assets of \$10.9 billion, an increase of 8.1% when compared to \$10.1 billion for the SPLY. This gain was mainly due to the increase in the value of current assets to \$3.5 billion which is 60% higher than the previous year's amount which was \$2.2 billion. Cash and cash equivalents increased by \$1.4 billion or 82.2% over the SPLY.

Total liabilities were \$7.2 billion, an increase of \$325 million or 4.7% higher than the previous year at \$6.9 billion. The change occurred because of the impact of the implementation of the new standard for lease liability to comply with IAS16, and an increase in deferred tax liability.

Shareholders' equity at period end was \$3.8 billion or 15.3% above the SPLY equity of \$3.3 billion.

DIVIDEND

On June 2, 2020, the Board of Directors declared an interim dividend of J\$0.0025 per stock unit which amounts to \$27.5 million. The dividend is scheduled to be paid on August 13, 2020.

Wigton Windfarm Limited

Interim Report to Shareholders

Quarter Ended 30 June 2020

OUTLOOK: 2020 AND BEYOND

For the 2020-2021 financial year Wigton's primary objective remains driving profitability and increasing shareholder value by expanding its commercial propositions. The Company plans to leverage its experience in renewable energy (RE) development and proffer its expertise, which spans a wide range of RE development and operations, to increase its options for revenue generation.

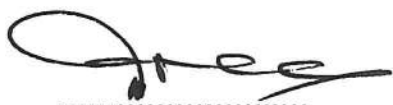
The Ministry of Science, Energy, and Technology (MSET) has indicated that the Integrated Resource Plan, (IRP) which addresses electricity supply for the next 20 years, is targeting more than 500 MW of capacity to be procured by 2025. In light of this, Wigton anticipates a call for renewable energy in the near-term and the Company stands ready to respond with proposals to develop utility scale projects to connect to the grid.

Several Caribbean territories are also signalling an intention to build out renewable energy capacity and therefore regional expansion is among the options under diligent consideration.

The Company will also continue to generate revenue from training and human resource development by providing technical training, capacity building and skills development through standard and tailor-made courses at its training lab. Applying the lessons-learned from the Covid-19, while also seizing the opportunities presented, Wigton will seek to effectively deliver more training in virtual spaces with due regard for the heavy hands-on component the subject matter often requires.

CORPORATE SOCIAL RESPONSIBILITY

Wigton developed a solid reputation as a good corporate citizen. Our charity has largely focused on key areas that impact social development including education, crime prevention and community development. Continuing our practice of charity beginning at home, the donation to Rose Hill Primary and Infant School marked a continuation of our on-going relationship with that institution which dates back to 2004. In March 2020 we began our latest improvement project, the construction of a netball court which was completed in April 2020.



Oliver W. Holmes
Chairman



Earl Barrett
Managing Director

Wigton Windfarm Limited

Statement of Comprehensive Income

Quarter Ended 30 June 2020 (Unaudited)

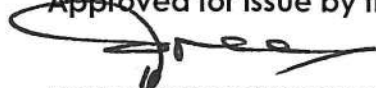
(expressed in Jamaican dollars unless otherwise indicated)

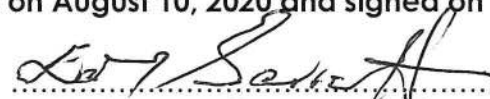
	Quarter Ended June 2020 \$'000	Quarter Ended June 2019 \$'000
Sales	750,892	832,820
Cost of sales	<u>(207,690)</u>	<u>(191,996)</u>
Gross Profit	543,202	640,824
Other income	68,778	68,030
General administrative expenses	<u>(92,190)</u>	<u>(79,312)</u>
Operating Profit	519,790	629,542
Finance expense	<u>(124,113)</u>	<u>(147,433)</u>
Profit before Taxation	395,677	482,109
Taxation	<u>(94,963)</u>	<u>(115,706)</u>
Net Profit	<u>300,714</u>	<u>366,403</u>
Earning per stock unit for profit attributable to the equity holders of the Company during the period	4 <u>\$0.027</u>	<u>\$0.033</u>
Number of stock units	<u>11,000,000,000</u>	<u>11,000,000,000</u>

Wigton Windfarm Limited
Statement of Financial Position
Quarter Ended 30 June 2020 (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

	Note	June 2020 \$'000 Unaudited	June 2019 \$'000 Unaudited	March 2020 \$'000 Audited
Non-Current Assets				
Property, plant and equipment		7,266,196	7,844,758	7,434,593
Rights-of-use asset		161,258	-	165,032
Pension plan asset		-	82,702	-
		<u>7,427,454</u>	<u>7,927,460</u>	<u>7,599,625</u>
Current Assets				
Inventories		7,234	-	6,930
Accounts receivable		470,645	485,322	289,392
Taxation recoverable		28,966	62,009	22,244
Cash and cash equivalents	5	3,020,701	1,657,662	2,679,744
		<u>3,527,546</u>	<u>2,204,993</u>	<u>2,998,310</u>
Current Liabilities				
Due to parent company		-	-	19,459
Accounts payable		160,572	137,717	82,105
Taxation payable		-	-	-
Current portion of lease liability		15,248	-	15,248
Current portion of long term liabilities		731,605	21,609	730,258
		<u>907,425</u>	<u>159,326</u>	<u>847,070</u>
Net Current Assets		<u>2,620,121</u>	<u>2,045,667</u>	<u>2,151,240</u>
		10,047,575	9,973,127	9,750,865
Equity				
Share capital		202,598	202,598	202,598
Retained earnings		3,555,211	3,057,813	3,254,497
		<u>3,757,809</u>	<u>3,260,411</u>	<u>3,457,095</u>
Non-Current Liabilities				
Capital grants		77,874	98,048	82,917
Lease liabilities		155,125	-	158,899
Long term liabilities	6	5,564,799	6,255,544	5,559,986
Post-employment benefit obligation		25,357	26,925	25,357
Pension plan liabilities		5,279	-	5,279
Deferred tax liabilities		461,332	332,199	461,332
		<u>6,289,766</u>	<u>6,712,716</u>	<u>6,293,770</u>
		10,047,575	9,973,127	9,750,865

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


.....
Oliver W. Holmes Chairman


.....
Earlington Barrett Managing Director

Wigton Windfarm Limited

Statement of Changes in Equity

Quarter Ended 30 June 2020 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2019	11,000,000	202,598	2,691,410	2,894,008
Net profit	-	-	366,403	366,403
Balance at 30 June 2019	11,000,000	202,598	3,057,813	3,260,411
Balance at 1 April 2020	11,000,000	202,598	3,254,497	3,457,095
Net profit	-	-	300,714	300,714
Balance at 30 June 2020	11,000,000	202,598	3,555,211	3,757,809

Wigton Windfarm Limited

Statement of Cash Flows

Quarter Ended 30 June 2020 (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited June 2020 \$'000	Unaudited June 2019 \$'000
SOURCES OF CASH:		
Operating Activities		
Net profit	300,714	366,403
Items not affecting cash:		
Depreciation	168,937	167,066
Interest income	(21,856)	(9,141)
Interest expense	124,113	127,900
Taxation	94,963	115,706
Amortisation of upfront fees	4,814	-
Amortisation of right of use	2,751	-
Amortisation of grant	(5,044)	(5,044)
Exchange (gain)/loss on foreign balances	(41,878)	(34,313)
	<u>627,514</u>	<u>728,577</u>
Change in operating assets and liabilities:		
Inventory	(7,234)	-
Accounts receivable	14,677	(350,507)
Accounts payable	22,855	(1,240)
	<u>657,812</u>	<u>376,830</u>
Tax paid	(1,975)	-
Cash provided by/(used in) operating activities	<u>655,837</u>	<u>376,830</u>
Financing Activities		
Lease paid during the year	(3,774)	-
Interest paid	(122,575)	(124,486)
Cash used in financing activities	<u>(126,349)</u>	<u>(124,486)</u>
Investing Activities		
Purchase of property, plant and equipment	(249,705)	(14,734)
Interest received	19,296	9,141
Cash used in investing activities	<u>(230,409)</u>	<u>(5,593)</u>
(Decrease)/increase in cash and cash equivalents	299,079	246,751
Exchange gains on cash and cash equivalents	41,878	34,312
Cash and cash equivalents at beginning of year	<u>2,679,744</u>	<u>1,376,599</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5 <u><u>3,020,701</u></u>	<u><u>1,657,662</u></u>

Wigton Windfarm Limited

Notes to the Financial Statements

30 June 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, with its registered office 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.

3. Segmenting Financial Reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Wigton Windfarm Limited is organised and managed in three main reportable segments based on the respective wind farms.

The designated segments are as follows:

- Phase I
- Phase II
- Phase III

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

Wigton Windfarm Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Earnings per share

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

	Quarter Ended June 2020 \$'000	Quarter Ended June 2019 \$,000
Net profit attributable to ordinary shareholders	<u>300,714</u>	<u>366,403</u>
Weighted average number of ordinary shares in issue	<u>11,000,000,000</u>	<u>11,000,000,000</u>
Basic earnings per share	<u>\$0.027</u>	<u>\$0.033</u>

5. Cash and cash equivalents

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

	Quarter Ended June 2020 \$'000	Quarter Ended June 2019 \$'000
Cash at bank and in hand	376,693	62,387
Short term deposits	717,258	276,763
Deposits	<u>1,926,750</u>	<u>1,318,512</u>
	<u>3,020,701</u>	<u>1,657,662</u>

Wigton Windfarm Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

6. Long Term Liabilities

	Quarter Ended June 2020 \$'000	Quarter Ended June 2019 \$'000
(i) Senior Secured Bonds:		
Series A – Due December 14, 2020	710,000	710,000
Series B – Due December 14, 2023	1,953,000	1,953,000
Series C – Due December 14, 2025	1,674,587	1,674,587
Series D – Due December 14, 2028	2,011,000	2,011,000
Unamortised upfront fees on loan	<u>(73,787)</u>	<u>(93,043)</u>
	6,274,800	6,255,544
	<u>21,604</u>	<u>21,609</u>
	6,296,404	6,277,153
Less: Current portion	<u>(731,605)</u>	<u>(21,609)</u>
	<u><u>5,564,799</u></u>	<u><u>6,255,544</u></u>

- (i) In December 2018, the Company launched a private placement of Bonds to raise J\$6,348,586,690.42 to repay the PDF. The placement was successful and the funds raised were converted to United States dollars through a Bank of Jamaica facility and applied to repay in full the loans owing to the PetroCaribe Development Fund. The PetroCaribe Fund is statutorily empowered to grant loans to public bodies that are self-financing and to the Ministry of Finance to finance Government projects that have the potential to generate savings or expand revenue flows to the Government. This meant that with the Offer for Sale of the Company, it would cease to be a public body and would not qualify to hold loans from PetroCaribe Fund.

Shareholdings of Top Ten (10) Stockholders, Directors and Senior Officers as at 30 June 2020

10 Largest Shareholders of Wigtan Windfarm Limited as at June 30, 2020

	Name of shareholder	Joint Holder(s)	Units	Percentage
1	Victoria Mutual Building Society	Nil	1,051,706,322	9.5610%
2	Mayberry Jamaican Equities Limited	Nil	1,010,692,917	9.1881%
3	National Insurance Funds	Nil	706,797,283	6.4254%
4	ATL Group Pension Fund Trustees NOM Ltd	Nil	391,075,964	3.5552%
5	Pan Caribbean Financial Services – Account #1388842	Nil	271,026,979	2.4639%
6	Geoffrey Ford	Nil	152,479,562	1.3862%
7	Sagicor Equity Fund	Nil	93,032,470	0.8457%
8	MF&G Asset Management Ltd. – Jamaica Investment Fund	Nil	79,939,436	0.7267%
9	Prime Asset Management JPS Employees Superannuation Fund	Nil	68,730,000	0.6248%
10	Mayberry Managed Clients Account	Nil	51,007,178	0.4637%

Shareholdings of Directors as at June 30, 2020

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver Holmes	-	1,000,000	1,000,000
Earl Barrett	2,000,000	-	2,000,000
Nigel Davy	-	-	-
Dennis Chung	2,500,000	-	2,500,000
Jacqueline Stewart Lechler	8,730,000	8,730,000	17,460,000
M Georgia Gibson Henlin	-	600,000	600,000
Gregory Shirley	2,000,000	-	2,000,000
Hugh Johnson	-	-	-

Shareholdings of Senior Executives as at June 30, 2020

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