



**Wigtown**  
**WINDFARM LTD**

Q3

INTERIM REPORT TO  
SHAREHOLDERS  
31 DECEMBER 2021



2021/2022 FISCAL YEAR – THIRD QUARTER REPORT  
INDEX

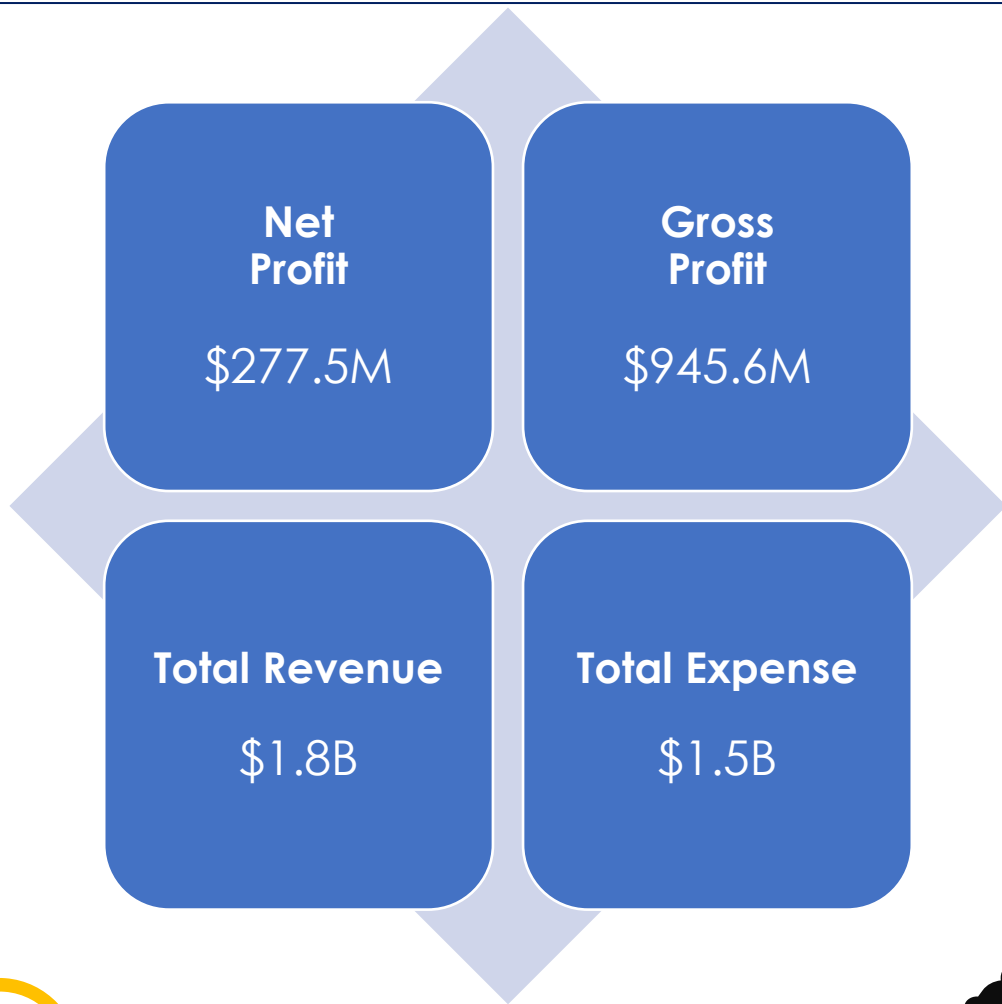
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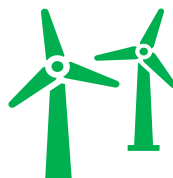
# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## INTERIM REPORT TO SHAREHOLDERS

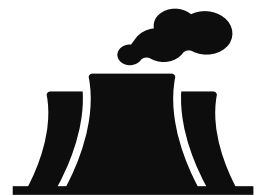
### PERFORMANCE HIGHLIGHTS



107.5 GWh Produced



88.9% Average Plant Availability Rate



82,977 Emissions Reductions



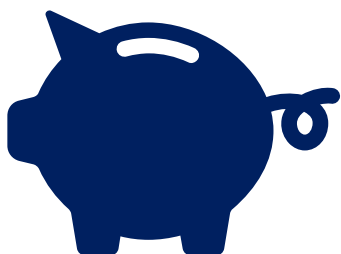
2021/2022 FISCAL YEAR – THIRD QUARTER REPORT  
INTERIM REPORT TO SHAREHOLDERS

OUTLOOK



**Collaboration with Renewable Energy  
Partners**

**Verification and Sale of Carbon  
Credits**



**Reduction of Finance Expenses by  
\$648 million**

over the life of the bonds

# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## INTERIM REPORT TO SHAREHOLDERS

The Directors of Wigton Windfarm Limited (“Wigton” or “the Company”) hereby present the unaudited financial results for the period ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

<b>YEAR TO DATE HIGHLIGHTS</b>			
<b>Description</b>	<b>9 Months – April to December 2021</b>	<b>9 Months – April to December 2020</b>	<b>Change</b>
	kWh	kWh	(%)
Production	107,522,514	118,411,859	(9.2)
Availability	88.9%	94.3%	(5.7)
	\$	\$	
Total Revenue	1,789,610,311	2,073,238,905	(13.7)
Total Expenses	1,512,113,080	1,481,588,196	(2.1)
Net Profit After Tax	277,497,231	591,650,709	(53.1)
Gross Profit Margin	60.0%	68.4%	(12.3)
Earnings Per Share	0.025	0.054	(53.7)

### **FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2021**

#### **OPERATING PERFORMANCE**

The nine months period, April to December 2021, saw an overall reduction of 53.1% in net profit. This decrease was as a result of equipment maintenance cost, lower levels of production which impacted sales revenue and the impact of the contractual rate reduction for Wigton Phase II.

The Company continues its efforts to grow the business by investing in new ventures, being ready to respond to any new calls for additional renewable energy to the national grid, establishing partnerships and continuing to prudently manage expenses as the primary focus areas of management.



## 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

### INTERIM REPORT TO SHAREHOLDERS

#### **Production and Availability**

Wigton experienced a lower wind regime for the quarter compared to the previous period due to the La Niña phenomenon which has been in effect for the last two (2) years. La Niña has the effect of reducing the pressure differences across the region. This lowered the wind speed experienced and coupled with the lower availability of the turbines, translated into lower production from the wind turbines.

Additionally, the average plant availability rate was approximately 88.9% during the nine months reporting period. This was below the projected target of 94.3% because of wind turbines being out of operation during the period to facilitate major maintenance activities.

These extraordinary factors combined to negatively impact the revenue in the period under review.

Nonetheless, Wigton is playing its part towards the reduction of the impact of climate change and is fostering environmental sustainability. The generation of electricity from its 100% clean energy facility, has resulted in a total of 19,588 tonnes in carbon emissions reductions for Jamaica.

#### **Revenue/Sales**

Total revenue during the period was \$1.8 billion representing a \$283.6 million, or 13.7% decrease when compared to the amount earned in the SPLY.

#### **Expenses**

Total expenses for the year-to-date period increased by \$30.5 million or 2.1% above the SPLY.

# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## INTERIM REPORT TO SHAREHOLDERS

ASSETS, LIABILITIES AND EQUITY			
Description	December 2021	December 2020	Change
	\$'000	\$'000	(%)
Non-current Assets	6,754,952.8	7,177,775.1	(5.9)
Current Assets	<u>4,445,942.4</u>	<u>3,446,959.4</u>	29.0
<b>Total Assets</b>	<b><u>11,200,895.2</u></b>	<b><u>10,624,734.5</u></b>	5.4
Non-current liabilities	6,452,562.0	6,281,758.1	(2.7)
Current liabilities	<u>452,061.7</u>	<u>321,730.2</u>	(40.5)
<b>Total liabilities</b>	<b><u>6,904,623.7</u></b>	<b><u>6,603,488.3</u></b>	(4.6)
<b>Equity</b>	<b><u>4,296,271.5</u></b>	<b><u>4,021,246.2</u></b>	6.8
<b>Total equities and liabilities</b>	<b><u>11,200,895.2</u></b>	<b><u>10,624,734.5</u></b>	(5.4)

The 5.9% decrease in non-current assets stems mainly from the depreciation of the Company's fixed assets. Current assets grew by \$999.0 million or 29.0%, mainly due to the continued profitability of the business. The profitable operations have contributed to the growth in the Company's cash and cash equivalents to \$4.1 billion from \$3.2 billion at the 2021 financial year end. That is, by \$0.9 billion or 28.1%. Wigton's continued profitable operation has further strengthened the Company's balance sheet and enhanced its financial flexibility to grow the business from initiatives being pursued.

As a result of the combined net change in current and non-current assets, Wigton closed the third quarter with total assets of \$11.2 billion, an increase of \$576.2 million or 5.4% when compared to the \$10.6 billion in the SPLY.



## 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

### INTERIM REPORT TO SHAREHOLDERS

Total liabilities in the third quarter were \$6.9 billion, an increase of \$301.1 million or 4.6% higher than the SPLY at \$6.6 billion. The change occurred mainly as a result of an increase in deferred tax liability of \$178.9 million, the provision for the special dividend payment of \$200 million which was paid to shareholders on January 17, 2022 and the settling of other obligations in the amount of \$6.9 million.

Shareholders' equity at the end of the period was \$4.3 billion, an increase of \$300 million or 6.8% above the SPLY's equity of \$4.0 billion.

#### **OUTLOOK**

Wigton remains aware of the continuing need to examine opportunities for profitable business expansion in line with its objectives for the 2021/2022 financial year and beyond. While focusing on the core business as the anchor, the Company continues to aggressively explore business opportunities in non-traditional areas, both locally and regionally, as it seeks to diversify its revenue base.

Discussions are ongoing with the relevant regulatory authorities around the timing of the next Request for Proposal (RFP) for the addition of new Renewable Energy (RE) generation to the national grid.

Wigton is in the process of verifying and certifying emissions reductions from Wigton Phase I and Wigton Phase II. This verification and certification is expected to result in the resumption of the sale of carbon credits by Wigton.

The Company's designation as the Thematic Hub for wind energy in the region by the Caribbean Centre from Renewable Energy and Energy Efficiency also positions it well for diversification opportunities which are currently being explored.





## 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

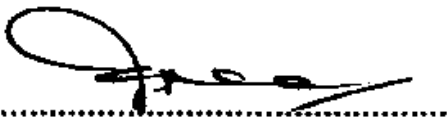
### INTERIM REPORT TO SHAREHOLDERS

Wigton will continue its efforts to improve operational efficiencies. To reduce its debt obligations under improved financial terms, Wigton sought and obtained the approval of its Bondholders to restate Bonds B, C and D which is projected to result in net savings of approximately \$648 million over the remaining lifetime of the Bonds.

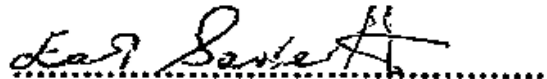
The Board, Management and Team members continue to work assiduously, to ensure continued profitable outcomes and the sustainability of Wigton's operations.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company continues to seek ways to positively impact its stakeholders through contributions to social development, primarily in the areas of education, crime prevention, community development and environmental preservation and protection.



Oliver W. Holmes  
Chairman



Earlington Barrett  
Managing Director

# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended December 2021 \$'000	Quarter Ended December 2020 \$'000	Nine Months Ended December 2021 \$'000	Nine Months Ended December 2020 \$'000	March 2021 \$'000	
	Note	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales		367,452	578,595	1,576,646	1,942,336	2,592,054
Cost of sales		<u>(213,086)</u>	<u>(201,140)</u>	<u>(631,076)</u>	<u>(613,958)</u>	<u>(789,097)</u>
<b>Gross Profit</b>		154,366	377,455	945,570	1,328,378	1,802,957
Other income		136,613	22,379	212,965	130,903	217,846
General administrative expenses		<u>(127,081)</u>	<u>(94,405)</u>	<u>(443,135)</u>	<u>(296,202)</u>	<u>(490,708)</u>
<b>Operating Profit</b>		163,898	305,429	715,400	1,163,079	1,530,095
Finance expense		<u>(117,164)</u>	<u>(126,612)</u>	<u>(350,272)</u>	<u>(384,591)</u>	<u>(503,089)</u>
<b>Profit before Taxation</b>		46,734	178,817	365,128	778,488	1,027,006
Taxation		<u>(11,216)</u>	<u>(42,916)</u>	<u>(87,631)</u>	<u>(186,837)</u>	<u>(234,305)</u>
<b>Net Profit</b>		<u>35,518</u>	<u>135,901</u>	<u>277,497</u>	<u>591,651</u>	<u>792,701</u>
Earning per stock unit for profit attributable to the equity holders of the Company during the period	4	<u>\$0.003</u>	<u>\$0.012</u>	<u>\$0.025</u>	<u>\$0.054</u>	<u>\$0.07</u>


# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## STATEMENT OF FINANCIAL POSITION

	Note	December 2021 \$'000 Unaudited	December 2020 \$'000 Unaudited	March 2021 \$'000 Audited
<b>Non-Current Assets</b>				
Property, plant and equipment		6,605,091	7,024,065	6,913,397
Long term investment		17,056	-	-
Rights-of-use asset		132,806	153,710	149,936
		<u>6,754,953</u>	<u>7,177,775</u>	<u>7,063,333</u>
<b>Current Assets</b>				
Inventories		29,683	8,033	8,033
Accounts receivable		264,041	199,116	434,051
Taxation recoverable		106,235	76,758	51,167
Cash and cash equivalents	5	4,045,982	3,163,053	3,241,427
		<u>4,445,941</u>	<u>3,446,960</u>	<u>3,734,678</u>
<b>Current Liabilities</b>				
Accounts payable		413,675	284,561	79,743
Current portion of lease liability		16,405	15,248	16,405
Current portion of long-term liabilities		21,982	21,922	20,760
		<u>452,062</u>	<u>321,731</u>	<u>116,908</u>
<b>Net Current Assets</b>		<u>3,993,879</u>	<u>3,125,229</u>	<u>3,617,770</u>
		<b><u>10,748,832</u></b>	<b><u>10,303,004</u></b>	<b><u>10,681,103</u></b>
<b>Equity</b>				
Share capital		202,598	202,598	202,598
Retained earnings		4,093,672	3,818,648	4,016,375
		<u>4,296,270</u>	<u>4,021,246</u>	<u>4,218,973</u>
<b>Non-Current Liabilities</b>				
Capital grants		47,612	67,786	62,743
Lease liabilities		137,027	147,577	145,905
Long term liabilities	6	5,593,682	5,574,427	5,579,241
Post-employment benefit obligation		33,158	25,357	33,158
Pension plan liabilities		818	5,279	818
Deferred tax liabilities		640,265	461,332	640,265
		<u>6,452,562</u>	<u>6,281,758</u>	<u>6,462,130</u>
		<b><u>10,748,832</u></b>	<b><u>10,303,004</u></b>	<b><u>10,681,103</u></b>

Approved for issue by the Board of Directors on January 27, 2022 and signed on its behalf by:

  
 Oliver W. Holmes Chairman

  
 Earlington Barrett Managing Director

# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## STATEMENT OF CHANGES IN EQUITY

	Number of Shares	Share Capital	Retained Earnings	Total Equity
	'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2020</b>	11,000,000	202,598	3,254,497	3,457,095
Net profit	-	-	591,651	591,651
	11,000,000	202,598	3,846,148	4,048,746
<b>Transactions with Owners:</b>				
Dividends Paid			(27,500)	(27,500)
<b>Balance at 31 December 2020</b>	11,000,000	202,598	3,818,648	4,021,246

	Number of Shares	Share Capital	Retained Earnings	Total Equity
	'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2021</b>	11,000,000	202,598	4,016,375	4,218,973
Net profit	-	-	277,497	277,497
	11,000,000	202,598	4,293,872	4,496,470
<b>Transactions with Owners:</b>				
Dividends			(200,200)	(200,200)
<b>Balance at 31 December 2021</b>	11,000,000	202,598	4,093,672	4,296,270

# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## STATEMENT OF CASH FLOWS

	Note	December 2021 \$'000 Unaudited	December 2020 \$'000 Unaudited	March 2021 \$'000 Audited
<b>SOURCES OF CASH:</b>				
<b>Operating Activities</b>				
Net profit		277,497	591,651	792,701
Items not affecting cash:				
Depreciation		516,636	506,458	679,501
Write off Asset		28	779	779
Interest income		(93,799)	(70,791)	(91,173)
Interest expense		335,830	369,458	479,266
Interest charge on lease liability		-	-	4,568
Pension plan liability		-	-	(5,919)
Post-employee benefit obligation		-	-	4,828
Taxation		87,631	186,837	234,305
Amortisation of upfront fees		14,441	14,441	19,255
Amortisation of right of use		8,252	8,253	15,096
Amortisation of grant		(15,131)	(15,131)	(20,174)
Exchange (gain)/loss on foreign balances		(102,944)	(44,982)	(81,360)
		1,028,441	1,546,973	2,031,673
Change in operating assets and liabilities:				
Inventory		(21,650)	(1,103)	(1,103)
Accounts receivable		(64,927)	62,528	(150,998)
Accounts payable		-	50,758	(2,362)
Due to parent company		129,114	-	(19,459)
		1,070,978	1,659,156	1,857,751
Tax paid		(43,831)	(3,950)	(83,187)
Cash provided by/ (used in) operating activities		<b>1,027,147</b>	<b>1,655,206</b>	<b>1,774,564</b>
<b>Financing Activities</b>				
Loans repaid		-	(710,000)	(710,000)
Lease paid during the year		(13,416)	(12,173)	(16,405)
Interest paid		(335,830)	(367,725)	(478,764)
Dividend paid		-	(27,500)	(27,500)
Cash used in financing activities		<b>(349,246)</b>	<b>(1,117,398)</b>	<b>(1,232,669)</b>
<b>Investing Activities</b>				
Acquisition of investment securities		(17,056)	-	-
Purchase of property, plant and equipment		(61,086)	(158,039)	(159,084)
Interest received		104,795	58,558	97,512
Cash used in investing activities		<b>26,653</b>	<b>(99,481)</b>	<b>(61,572)</b>
(Decrease)/increase in cash and cash equivalents		704,554	438,327	480,323
Exchange gains on cash and cash equivalents		100,001	44,982	81,360
Cash and cash equivalents at beginning of year		3,241,427	2,679,744	2,679,744
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5	<b>4,045,982</b>	<b>3,163,053</b>	<b>3,241,427</b>



# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Identification and Activities

Wigton 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, St. Andrew.

#### Impact of COVID 19

Beginning in January 2020, global financial markets experienced and continue to experience significant volatility resulting from the spread of the 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. In response to this, the Company has implemented several health and safety protocols to protect its employees and stakeholders which it continues to monitor and enforce. COVID-19 has also impacted the lead times for the delivery of spare parts necessary for scheduled maintenance and repairs of the Company's plants. The delays currently being experienced could have negative medium-term effects, due to the inability to carry out preventative maintenance to eliminate component failures and further cascading consequences.

Management continues to closely monitor the situation and adhere to the various government protocols and advice.

### 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 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.

# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Property, plant and equipment and depreciation

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

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

### 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 December 2021 \$'000	Quarter Ended December 2020 \$'000
Net profit attributable to ordinary shareholders	<u>277,497</u>	<u>591,651</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>\$0.025</u>	<u>\$0.054</u>

### 5. Cash and cash equivalents

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

	Quarter Ended December 2021 \$'000	Quarter Ended December 2020 \$'000
Cash at bank and cash in hand	54,035	9,835
Short term deposits	665,373	1,072,428
Deposits	<u>3,326,574</u>	<u>2,080,790</u>
	<u>4,045,982</u>	<u>3,163,053</u>



## 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. Long Term Liabilities

	Quarter Ended December 2021 \$'000	Quarter Ended December 2020 \$'000
(i) Senior Secured Bonds:		
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>(44,905)</u>	<u>(64,160)</u>
	5,593,682	5,574,427
Add: Interest Payable	<u>21,981</u>	<u>21,921</u>
	5,615,663	5,596,348
Less: Current portion	<u>(21,981)</u>	<u>(21,921)</u>
	<u><u>5,593,682</u></u>	<u><u>5,574,427</u></u>

In December 2018, the Company launched a private placement of Bonds to raise J\$6,348,586,690.42. The placement was successful and applied to repay in full the loans owing to the PetroCaribe Development Fund. On December 9, 2020, Wigton paid its first Bond, Series A, from its accumulated cash resources.

Wigton sought and obtained the approval of its Bondholders on January 14, 2022 to restate Bonds B, C and D which is projected to result in net savings of approximately \$648 million over the remaining lifetime of the Bonds.



# 2021/2022 FISCAL YEAR – THIRD QUARTER REPORT

## SHAREHOLDINGS OF TOP TEN (10) SHAREHOLDERS, DIRECTORS AND SENIOR OFFICERS AS OF 31 DECEMBER 2021

### 10 Largest Shareholders of Wigton Windfarm Limited as at December 31, 2021

	Name of shareholder	Units	Percentage
1	Mayberry Jamaican Equities Limited	1,110,866,982	10.0988%
2	Victoria Mutual Building Society	1,051,706,322	9.5610%
3	National Insurance Funds	706,797,283	6.4254%
4	ATL Group Pension Fund Trustees NOM Limited	541,075,964	4.9189%
5	Sagicor Investments Jamaica– Account #1388842	490,192,711	4.4563%
6	Geoffrey Ford	165,875,100	1.5080%
7	Sagicor Equity Fund	111,782,470	1.0162%
8	Prime Asset Management -Pooled Equity Fund	82,286,475	0.7481%
9	MF&G Asset Management Limited-Jamaica Investment Fund	79,939,436	0.7267%
10	Prime Asset Management JPS Employees Superannuation Fund	71,730,000	0.6521%

### Shareholdings of Directors and their Connected Parties as at December 31, 2021

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver Holmes	-	1,000,000	1,000,000
Earlington Barrett	2,000,000	-	2,000,000
Nigel Davy	-	1,940,000	1,940,000
Dennis Chung	2,500,000	-	2,500,000
Jacqueline Stewart Lechler	10,965,928	10,965,928	21,931,856
M Georgia Gibson Henlin	-	600,000	600,000
Gregory Shirley	2,000,000	-	2,000,000
Hugh Johnson	-	-	-
Omar Azan	-	-	-
Dan Theoc	11,461,000	-	11,461,000

### Shareholdings of Senior Officers and their Connected Parties as at December 31, 2021

Shareholdings of Senior Executives	Direct	Connected Parties	Total
Earlington Barrett	2,000,000	-	2,000,000
Michelle Chin Lenn	800,000	-	800,000
Shaun Treasure	200,000	200,000	400,000
Shaneek Clacken	-	-	-