



  
**Wigt****n**  
**WINDFARM LTD**

Q2

INTERIM REPORT TO  
SHAREHOLDERS  
30 SEPTEMBER 2022



## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

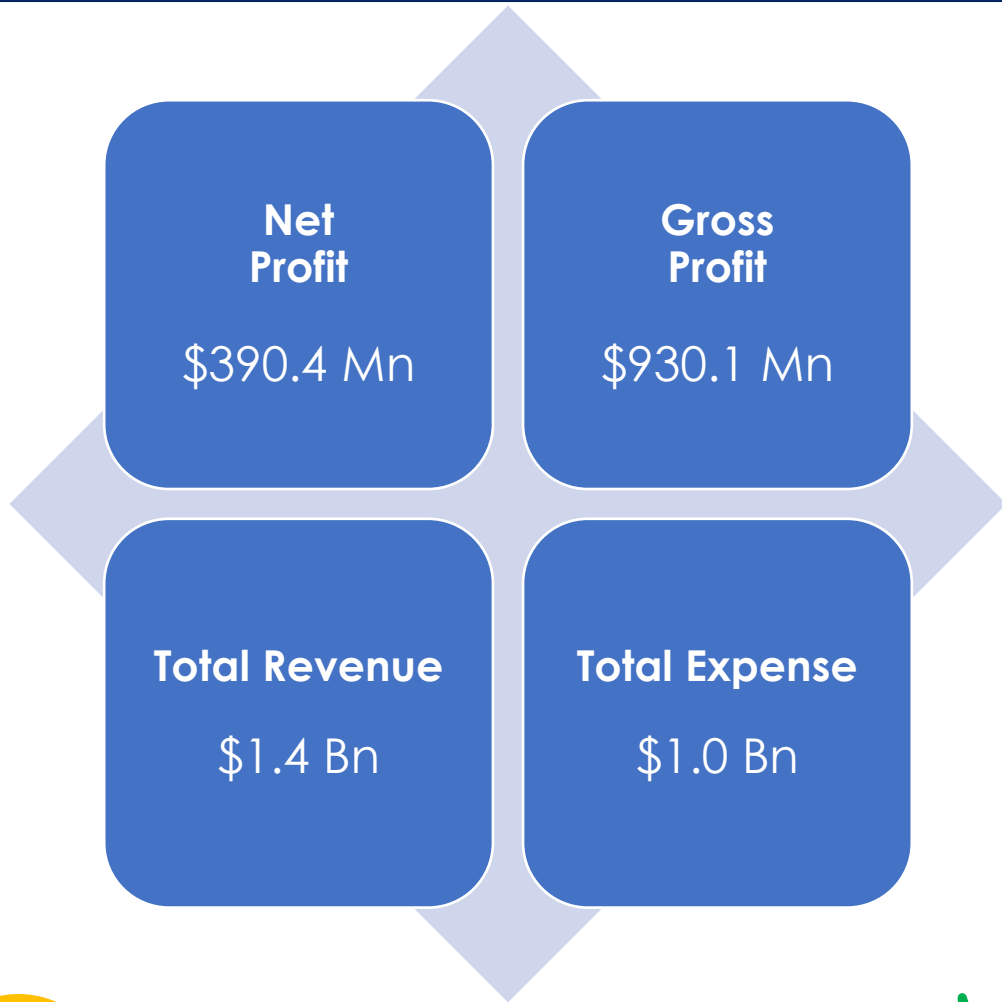
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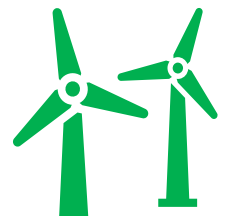


2022/2023 FISCAL YEAR – SECOND QUARTER REPORT  
INTERIM REPORT TO SHAREHOLDERS

PERFORMANCE HIGHLIGHTS



89.6 GWh Produced



92.5% Average Plant Availability Rate

# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

## INTERIM REPORT TO SHAREHOLDERS

The Directors of Wigton Windfarm Limited (“Wigton” or “the Company”) hereby present the unaudited financial results for the second quarter of the 2022/2023 financial year, ended 30 September 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

<b>YEAR TO DATE HIGHLIGHTS</b>			
<b>Description</b>	<b>April to September 2022</b>	<b>April to September 2021</b>	<b>Change</b>
	kWh	kWh	%
Production	89,643,505	82,546,071	8.6
Availability	92.5%	87.6%	5.6
	\$	\$	
Total Revenue	1,431,269,530	1,285,544,852	11.3
Total Expenses	1,040,857,695	1,043,565,357	0.3
Net Profit After Tax	390,411,835	241,979,495	61.3
Gross Profit Margin	68.8%	65.4%	5.2
Earnings Per Share	0.035	0.022	59.1

### FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 SEPTEMBER 2022

#### OPERATING PERFORMANCE

The period, April to September 2022, saw an overall increase of \$148.432 Mn or 61.3% in net profit over the similar period last year (SPLY). This increase stemmed from the 8.6% increase in production over the SPLY, resulting in an increase in sales revenue of \$143.041 Mn or 11.8% as well as a marginal increase in other income and an overall decrease in expenses of \$2.708 Mn or 0.3%.



## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

### INTERIM REPORT TO SHAREHOLDERS

#### **Production and Availability**

Wigton experienced an increase in its production by 7.097 Mn kWh or 8.6% compared to the SPLY. Additionally, the average plant availability rate increased to 92.5% from 87.6%. This represents a 5.6 percentage change.

Wigton continues to play its part in the reduction of the negative impact of climate change and is fostering environmental sustainability through its 100% clean energy plant.

#### **Revenue/Sales**

Total revenue for the second quarter was \$1.431 Bn representing a \$145.725 Mn or 11.3% increase, when compared to the amount earned in the SPLY of \$1.286 Bn.

#### **Expenses**

Total expenses for the period decreased by \$2.708 Mn or 0.3% when compared to the SPLY as the Company continues its efforts to improve operational efficiencies and prudently manage expenses. One such operational efficiency initiative was the restatement of the Bonds in March 2022 which resulted in a reduced finance cost of \$13.198 Mn or 5.7% when compared to the SPLY.

# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

## INTERIM REPORT TO SHAREHOLDERS

ASSETS, LIABILITIES AND EQUITY			
Description	SEPTEMBER 2022	SEPTEMBER 2021	Change
	\$'000	\$'000	%
Non-current Assets	6,413,537	6,838,897	(6.2)
Current Assets	<u>4,537,398</u>	<u>4,197,698</u>	8.1
<b>Total Assets</b>	<b><u>10,950,935</u></b>	<b><u>11,036,595</u></b>	(0.8)
Non-current liabilities	5,043,535	6,455,751	21.9
Current liabilities	<u>1,015,630</u>	<u>119,892</u>	(747.1)
<b>Total liabilities</b>	<b>6,059,165</b>	<b>6,575,643</b>	7.9
<b>Equity</b>	<u>4,891,770</u>	<u>4,460,952</u>	9.7
<b>Total equities and liabilities</b>	<b><u>10,950,935</u></b>	<b><u>11,036,595</u></b>	0.8

The total assets of the Company decreased by \$85.663 Mn or 0.8%. Non-current assets decreased by \$425.360 Mn or 6.2% due to the depreciation of the Company's fixed assets. Notwithstanding, current assets grew by \$339.697 Mn or 8.1%, mainly due to the growth in the Company's cash and cash equivalents by \$146.795 Mn or 3.7% to \$4.127 Bn. Wigton's continued profitable operations have accordingly strengthened the Company's balance sheet and enhanced its financial flexibility to grow the business from initiatives being pursued.

Total liabilities were \$6.059 Bn, a decrease of \$516.480 Mn or 7.9% lower than the SPLY at \$6.576 Bn. The change occurred mainly because of the repayment of two (2) principal instalments of Bond A during the period. In March 2022, Wigton restated its three (3) Bonds to two (2) Bonds, A and B. Bond A, with an end of period balance of \$3.466 Bn is an amortizing Bond which will be fully repaid in March 2026 and Bond B with a principal balance of \$1.900 Bn will be repaid as a bullet payment at the end of September 2027.



## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

### INTERIM REPORT TO SHAREHOLDERS

The restatement will save the Company interest cost annually as follows:

Financial Year	Savings \$' Mn
2022/2023	81.0
2023/2024	135.7
2024/2025	45.9
2025/2026	100.6
2026/2027	19.3
2027/2028	132.7
2028/2029	<u>167.2</u>
<b>Total</b>	<b><u>682.4</u></b>

Shareholders' equity at the end of the period was \$4.892 Bn, an increase of \$430.817 Mn or 9.7% above the SPLY's equity of \$4.461 Bn.

#### OUTLOOK

In line with the implementation of the Company's diversification plan, Wigton will continue to offer and undertake solutions in wind, solar and other areas of renewables, clean technology solutions, as well as other investment opportunities to ensure continued growth in shareholders' value.

While the Company is focused on diversification into non-traditional areas of energy, discussions are now on-going with key stakeholders on the potential repowering of Wigton Phase I at Rose Hill, Manchester. This follows the Cabinet's approval of a new 20-year generation license for Wigton Phase I. Discussions are also on-going with the relevant regulatory authorities around the timing of the next Request for Proposal (RFP) for the addition of new Renewable Energy (RE) to the national grid.

The Wigton Renewable Energy Training Lab provides training in practical and theoretical courses in the areas of renewable energy with face-to-face training now being offered post the peak of the Covid-19 pandemic.



## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

### INTERIM REPORT TO SHAREHOLDERS

Wigton is persistent in its efforts to improve operational efficiencies and investment opportunities and the Board, Management and Team members continue to work assiduously, to ensure continued profitable outcomes and the sustainability of the Company's operations.



Oliver W. Holmes  
Chairman



Earlington Barrett  
Managing Director



# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter Ended September 2022 \$'000 Unaudited	Quarter Ended September 2021 \$'000 Unaudited	Six Months Ended September 2022 \$'000 Unaudited	Six Months Ended September 2021 \$'000 Unaudited	March 2022 \$'000 Audited
Sales	558,021	572,564	1,352,234	1,209,192	2,049,232
Cost of sales	(217,573)	(204,581)	(422,131)	(417,989)	(819,572)
<b>Gross Profit</b>	340,448	367,983	930,103	791,203	1,229,660
Other income, net	87,992	29,667	79,036	76,352	255,615
General administrative expenses	(129,187)	(141,357)	(268,708)	(316,054)	(607,784)
<b>Operating Profit</b>	299,253	256,293	740,431	551,501	877,491
Finance expense, net	(108,371)	(117,164)	(219,909)	(233,107)	(335,494)
<b>Share of net loss of associate</b>	(6,822)	-	(6,822)	-	(40)
<b>Profit before Taxation</b>	184,060	139,129	513,700	318,394	541,957
<b>Taxation</b>	(45,811)	(33,391)	(123,288)	(76,415)	(69,871)
<b>Net Profit</b>	138,249	105,738	390,412	241,979	472,086
<b>Other Comprehensive Income, net of taxes -</b>					
<b>Items that will not be reclassified to profit or loss -</b>					
<b>Changes in the fair value of equity investments at fair value through other comprehensive income</b>	(2,342)	-	(6,352)	-	(2,332)
<b>Remeasurements of pension and other post- employment benefits</b>	-	-	-	-	19,183
<b>Total other comprehensive income, net of taxes</b>	(2,342)	-	(6,352)	-	16,851
<b>Total Comprehensive Income</b>	135,907	105,738	384,060	241,979	488,937
Earning per stock unit for profit attributable to the equity holders of the Group during the year			\$0.035	\$0.022	\$0.043

# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Jamaican dollars unless otherwise indicated)

		September 2022 \$'000 Unaudited	September 2021 \$'000 Unaudited	March 2022 \$'000 Audited
<b>Non-Current Assets</b>	<b>Note</b>			
Property, plant and equipment		6,132,614	6,700,381	6,442,605
Investment in associate		130,670	-	137,492
Rights-of-use asset		99,037	138,516	105,698
Pension plan assets		10,014	-	10,014
Investment in joint venture		30,664	-	-
Financial assets at fair value through other comprehensive income		10,538	-	16,890
		<u>6,413,537</u>	<u>6,838,897</u>	<u>6,712,699</u>
<b>Current Assets</b>				
Inventories		20,909	12,567	22,563
Accounts receivable		330,023	202,088	311,794
Taxation recoverable		59,445	2,817	149,417
Cash and cash equivalents	5	4,127,021	3,980,226	3,829,935
		4,537,398	4,197,698	4,313,709
<b>Current Liabilities</b>				
Accounts payable		126,762	82,727	304,087
Current portion of lease liability		19,803	16,405	19,802
Current portion of long-term liabilities		869,065	20,760	886,408
		<u>1,015,630</u>	<u>119,892</u>	<u>1,210,297</u>
<b>Net Current Assets</b>		<u>3,521,768</u>	<u>4,077,806</u>	<u>3,103,412</u>
		<b><u>9,935,305</u></b>	<b><u>10,916,703</u></b>	<b><u>9,816,111</u></b>
<b>Equity</b>				
Share capital		202,598	202,598	202,598
Retained earnings		4,689,172	4,258,354	4,305,112
		4,891,770	4,460,952	4,507,710
<b>Non-Current Liabilities</b>				
Capital grants		32,481	52,655	42,569
Lease liabilities		92,186	139,986	97,964
Long term liabilities	6	4,176,181	5,588,869	4,425,180
Post-employment benefit obligation		20,919	33,158	20,919
Pension plan liabilities		-	818	-
Deferred tax liabilities		721,768	640,265	721,769
		<u>5,043,535</u>	<u>6,455,751</u>	<u>5,308,401</u>
		<b><u>9,935,305</u></b>	<b><u>10,916,703</u></b>	<b><u>9,816,111</u></b>

Approved for issue by the Board of Directors on October 21, 2022 and signed on its behalf by:

Oliver W. Holmes Chairman

Earlington Barrett Managing Director

# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Jamaican dollars unless otherwise indicated)

	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	=	=	241,979	241,979
<b>Balance at 30 September 2021</b>	11,000,000	202,598	4,258,354	4,460,952

	Number of Shares	Share Capital	Retained Earnings	Total
	'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2022</b>	11,000,000	202,598	4,305,112	4,507,710
Net profit	-	-	390,412	390,412
Other comprehensive income	-	-	(6,352)	(6,352)
Total comprehensive income	-	-	384,060	384,060
<b>Balance at 30 September 2022</b>	11,000,000	202,598	4,689,172	4,891,770

# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT (UNAUDITED)

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Jamaican dollars unless otherwise indicated)

	September 2022 \$'000 Unaudited	September 2021 \$'000 Unaudited	March 2022 \$'000 Audited
<b>SOURCES OF CASH:</b>			
<b>Operating Activities</b>			
Net profit	390,412	241,979	472,086
Items not affecting cash:			
Depreciation	361,050	340,222	692,815
Write off Asset	-	28	-
Gain on sale of property, plant and equipment	-	-	(650)
Share in net profit of associate	6,821	-	40
Interest income	(93,968)	(57,693)	(131,100)
Interest expense	192,191	223,480	442,165
Interest charge on lease liability	4,131	-	5,771
Gain on restatement of long-term liabilities	-	-	(128,176)
Pension plan liability	-	-	(4,210)
Post-employee benefit obligation	-	-	6,717
Taxation	123,288	76,415	69,871
Amortisation of upfront fees	23,587	9,628	15,734
Amortisation of right of use	6,662	5,501	13,151
Amortisation of grant	(10,088)	(10,088)	(20,174)
Exchange (gain)/loss on foreign balances	26,729	(7,432)	(95,872)
	<u>1,030,815</u>	<u>822,040</u>	<u>1,338,168</u>
Change in operating assets and liabilities:			
Inventory	(8,342)	(5,333)	(14,530)
Accounts receivable	(127,933)	81,778	122,257
Accounts payable	44,035	(157,356)	224,344
	<u>938,575</u>	<u>741,129</u>	<u>1,670,239</u>
Tax paid	(30,648)	(29,221)	(92,235)
Cash provided by/ (used in) operating activities	<u><b>907,927</b></u>	<u><b>711,908</b></u>	<u><b>1,578,004</b></u>
<b>Financing Activities</b>			
Loans repaid	(434,000)	-	-
Lease paid during the year	-	(8,878)	(19,228)
Payment of debt issuance costs	-	-	(173,797)
Interest paid	(192,191)	(223,500)	(444,339)
Dividend paid	-	-	(200,200)
Cash used in financing activities	<u><b>(626,191)</b></u>	<u><b>(232,378)</b></u>	<u><b>(837,564)</b></u>
<b>Investing Activities</b>			
Purchase of property, plant and equipment	(148,710)	(79,293)	(222,087)
Proceeds from sale of property plant and equipment	-	-	714
Acquisition of investment in associate	-	-	(137,532)
Investment in joint venture	(30,664)	-	-
Acquisition of financial assets in fair value through other comprehensive income	-	-	(19,999)
Interest received	71,162	53,842	131,100
Cash used in investing activities	<u><b>(108,212)</b></u>	<u><b>(25,450)</b></u>	<u><b>(247,804)</b></u>
(Decrease)/increase in cash and cash equivalents	173,524	454,080	492,636
Exchange gains on cash and cash equivalents	(26,729)	7,432	95,872
Cash and cash equivalents at beginning of year	3,980,226	3,518,714	3,241,427
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u><b>4,127,021</b></u>	<u><b>3,980,226</b></u>	<u><b>3,829,935</b></u>

## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT (UNAUDITED)

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

### 1. Identification and Activities

Wigton is incorporated and domiciled in Jamaica. The Company was incorporated on 12 April 2000. It was formerly a wholly owned subsidiary of the Petroleum Corporation of Jamaica. On the 22<sup>nd</sup> of 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.

### 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 quarters 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.

### 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

## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT (UNAUDITED)

### NOTES TO THE FINANCIAL STATEMENTS

(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.

	<b>Quarter Ended September 2022 \$'000</b>	<b>Quarter Ended September 2021 \$,000</b>
Net profit attributable to ordinary shareholders	<u>390,412</u>	<u>241,979</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>\$0.035</u>	<u>\$0.022</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.

	<b>Quarter Ended September 2022 \$'000</b>	<b>Quarter Ended September 2021 \$'000</b>
Cash at bank and cash in hand	8,172	17,141
Short term deposits	991,329	722,184
Deposits	<u>3,127,520</u>	<u>3,240,901</u>
	<u>4,127,021</u>	<u>3,980,226</u>

## 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT (UNAUDITED)

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

#### 6. Long Term Liabilities

In March 2022, the outstanding bonds B, C and D were restated to Bond A and B, subject to new terms and conditions summarised below:

	Quarter Ended September 2022 \$'000	Quarter Ended September 2021 \$'000
(i) Senior Secured Bonds:		
Series B – Due December 14, 2023	-	1,953,000
Series C – Due December 14, 2025	-	1,674,587
Series D – Due December 14, 2028	-	2,011,000
Series A – Restated – Due March 2026	3,472,899	-
Series B – Restated – Due September 2027	1,765,506	-
Unamortised upfront fees on loan	<u>(194,224)</u>	<u>(49,718)</u>
	5,044,181	5,588,869
Add: Interest Payable	<u>1,065</u>	<u>20,760</u>
	5,045,246	5,609,629
Less: Current portion	<u>(869,065)</u>	<u>(20,760)</u>
	<u><u>4,176,181</u></u>	<u><u>5,588,869</u></u>

# 2022/2023 FISCAL YEAR – SECOND QUARTER REPORT

## SHAREHOLDINGS OF TOP TEN (10) SHAREHOLDERS, DIRECTORS AND SENIOR OFFICERS AS OF 30 SEPTEMBER 2022

### Ten (10) Largest Shareholders as at September 30, 2022

	Name of shareholder	Units	Percentage
1	Mayberry Jamaican Equities Limited	1,100,000,000	10.0000%
2	Victoria Mutual Building Society	1,051,706,322	9.5610%
3	National Insurance Fund	706,797,283	6.4254%
4	ATL Group Pension Fund Trustees NOM Limited	598,872,710	5.4443%
5	Sagicor Investments Jamaica– Account #1388842	490,192,711	4.4563%
6	Geoffrey Ford	191,475,100	1.7407%
7	Sagicor Equity Fund	111,782,470	1.0162%
8	Prime Asset Management -Pooled Equity Fund	97,907,159	0.8901%
9	MF&G Asset Management Limited-Jamaica Investment Fund	79,939,436	0.7267%
10	Prime Asset Management JPS Employees Superannuation Fund	77,668,509	0.7061%

### Shareholdings of Directors and their Connected Parties as at September 30, 2022

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver W. 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	11,252,169	-	11,252,169
M. Georgia Gibson Henlin	-	600,000	600,000
Gregory B. Shirley	2,000,000	-	2,000,000
Hugh Johnson	160,000	-	160,000
Omar Azan	-	-	-
Dan Theoc	14,012,000	-	14,012,000

### Shareholdings of Senior Managers and their Connected Parties as at September 30, 2022

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	-	-	-