

**Bro Dyfi Community Renewables Limited**  
**Treasurers Report for 2016 AGM**

Financial performance in 2015 was very good – mainly due to an excellent wind regime throughout the year. The table below shows the headline results for 2015, with 2014 to allow a comparison.

<b>INCOME</b>	<b>2015</b>	<b>2014</b>
Sale of Electricity	£ 100,334	£ 79,366
Interest	£ 225	£ 201
Grant Income <sup>(1)</sup>	£ 8,781	£ 4,844
<b>TOTAL</b>	<b>£109,340</b>	<b>£84,411</b>
<b>EXPENDITURE</b>		
Insurance	£ 3,302	£ 3,620
Loan Interest to Shareholders	£ 7,516	£ 10,738
Grant to Ecodyfi	£ 1,505	£ 3,655
Accountancy and Admin Fees <sup>(2)</sup>	£ 6,428	£ 4,480
Rent and Rates	£ 3,653	£ 2,928
Service and Repairs <sup>(3)</sup>	£ 35,432	£ 10,327
Utilities	£ 4,952	£ 3,307
Misc	£ 974	£ 236
Legal Fees <sup>(4)</sup>	£ 1,110	
Depreciation	£ 20,711	£ 20,711
<b>TOTAL</b>	<b>£ 85,583</b>	<b>£ 60,002</b>
<b>TOTAL SURPLUS</b>	<b>£23,757</b>	<b>£24,409</b>

*Note 1* This includes deferred grant income of £4844, plus a grant of £3937 from Ynny'r Fro towards the cost of the V17 Options study

*Note 2* This includes £2400 commission to Non Fossil Purchasing Agency Ltd who act as our agents for the auction of energy output.

*Note 3* This includes costs of V17 refurbishment of £ 23,537. Costs of NTK O&M were £11,895

*Note 4* Legal fees incurred during dispute with FCA in early 2015

The total surplus (profit) generated in 2015 was lower than 2014, despite the increase in income for the year. This was largely due to the expenditure on the V17 refurbishment of £23,357, which was paid for out of Society funds. Administration costs increased in 2015, largely due to the appointment of a paid Administrator.

Looking forward to 2016, it is unlikely that our income will be as great. The tariff we receive has fallen: partly due to the Chancellor's illogical decision to remove the Climate Change Levy exemption from renewables, and partly due to the collapse in UK wholesale electricity

prices. These started a sharp decline in the last quarter of 2015, and this trend has been predicted to continue into the near future at least. Because of this, the Committee determined to enter into a 12 month PPA through the NFPA (our selling agents) from April 2016. This was at a much reduced price- £83/MWh, compared to the £92.30/MWh we obtained in our last contract, up to the end of March 2016. However, this does give a degree of certainty up until March 2017, during a period in which the wholesale electricity price is expected to continue to decline.

### **Recommendation for Utilisation of Surplus**

According to the BDCR Constitution, any surplus can be used for:

- Retention within the Company as a general reserve
- Distribution by way of interest to Members, to a maximum rate of 10%
- Donation to charities to be determined by the Members

The Management Committee are recommending, and placing a motion to Members for their determination at the AGM that:

- £10737.50 be distributed to Members, representing a 5% rate of interest for the year
- A donation of £2,150 be made to Ecodefy, representing a 5% rate of return on the £43,000 grant funding secured by them.
- The balance of £10,869.50 be retained as general reserve

It should be noted that as the distribution would be made in 2016, this will reduce any retained profit in 2016, and the retained profit of £23,757 generated in 2015 will remain unchanged.

The Management Committee believe that this is a prudent distribution, retaining a significant percentage within the Company, whilst offering a good rate of interest to Members.

### **Member's Funds**

Due to the profit realised in 2015, the current Member's funds amount to £308,226, made of £214,750 of paid up share capital, and £94,226 accrued to the profit and loss account.

Rod Edwards  
10<sup>th</sup> May 2016