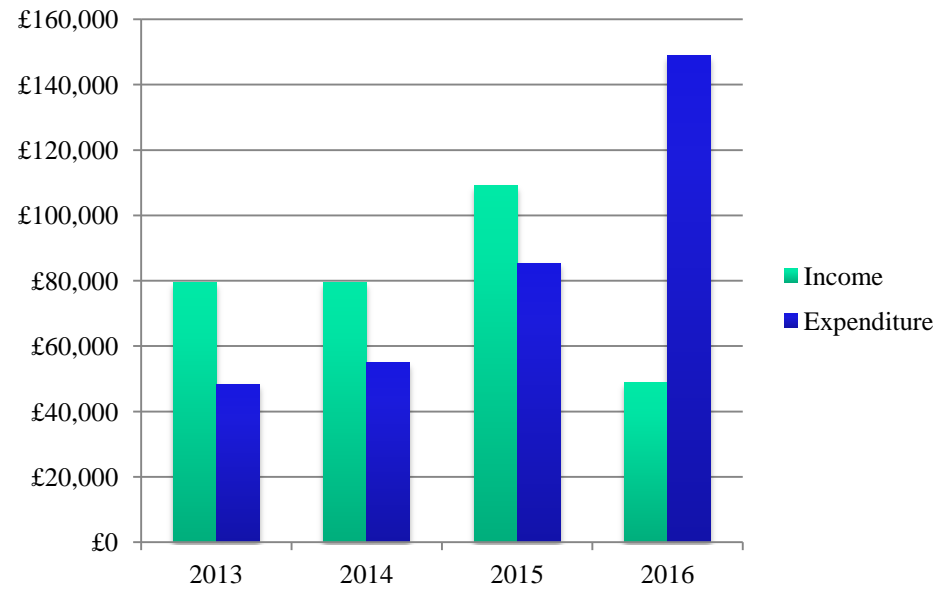


# BDCR Treasurer's Report 2016

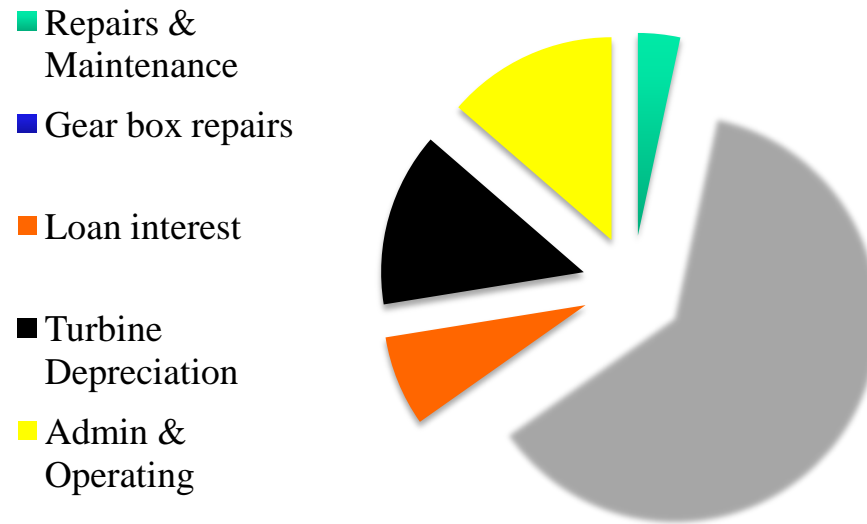
Jacinta MacDermot

# Income & Expenditure

## 2013 - 2016



# Expenditure for 2016

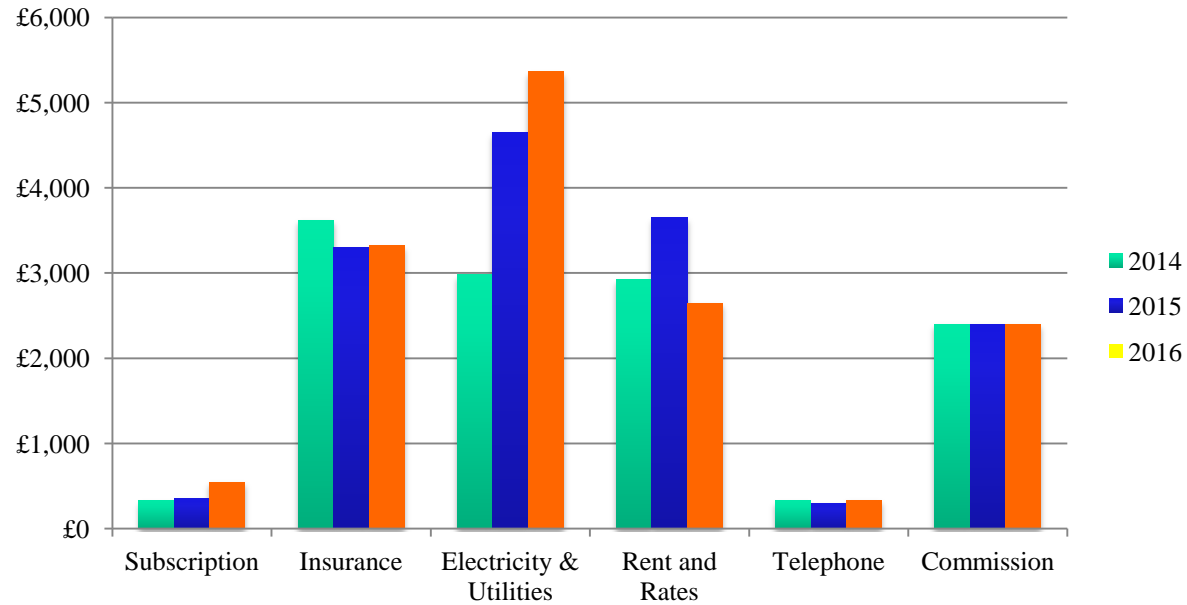


Total Expenditure £148,916 of which  
Nordtank Gearbox replacement is  
£92,131

# Operating Expenses 2014 - 2016

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Subscription	£330	£350	£550
Insurance	£3,620	£3,302	£3,322
Electricity & Utilities	£2,978	£4,652	£5,367
Rent and Rates	£2,928	£3,653	£2,650
Telephone	£329	£300	£334
Commission	£2,400	£2,400	£2,400
Depreciation	£20,711	£20,711	£20,711
Repairs	£10,327	£35,432	£97,144

# Operating Expenses 2014 - 2016

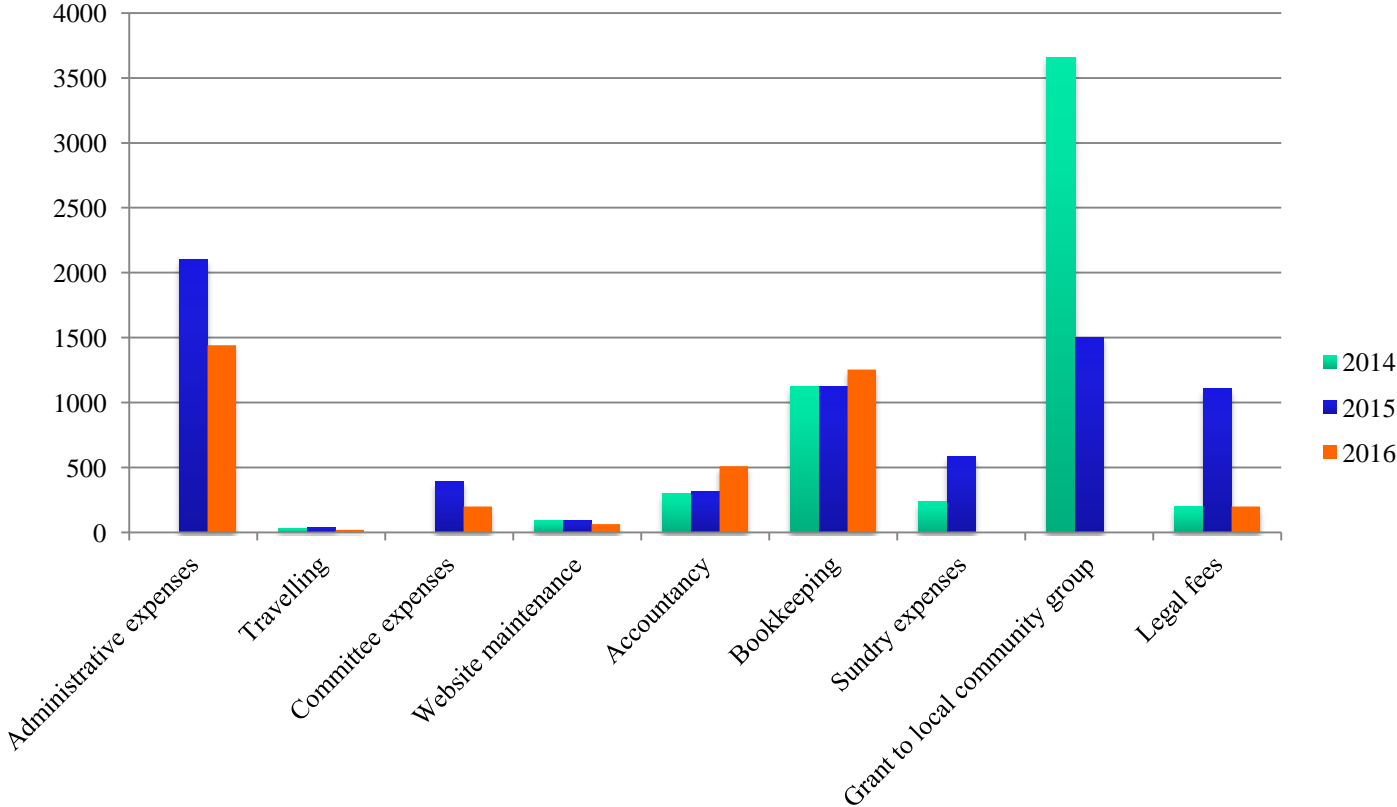


(Depreciation and Repairs not shown)

# Other expenditure 2014 - 2016

<b>Expenditure</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Administrative expenses		£2,101	£1,442
Travelling	£30	£40	£20
Committee expenses		£389	£198
Website maintenance	£95	£95	£65
Accountancy	£299	£317	£476
Bookkeeping	£1,126	£1,126	£1,255
Sundry expenses	£236	£584	
Grant to local community group	£3,655	£1,505	£2,150
Legal fees	£200	£1,110	£200

# Other expenditure 2014 - 2016



# BDCR Profit/Loss for 2016

<b>INCOME</b>	<b>2016</b>
Sales (Generation)	£44,024
Grant Income	£4,844
Gross Interest	£150
<b>TOTAL INCOME</b>	<b>£49,017</b>
Operating expenses	£132,478
Other Expenditure	£5,840
<b>TOTAL EXPENDITURE</b>	<b>£138,318</b>
<b>LOAN INTEREST</b>	<b>£10,748</b>
<b>TOTAL PROFIT / LOSS</b>	<b>-£100,049</b>



# Balance Sheet As At 31<sup>st</sup> December 2016

## ASSETS

Turbines	£148,943
Debtors	£12,298
Bank Account	£88,403
<b>Total Assets</b>	<b>£249,644</b>

## LIABILITIES

Creditors less than 1 year	£19,789
Creditors more than 1 year	£20,925
<b>Total Liabilities</b>	<b>£40,714</b>

This gives a balance of **£208,930** which is the combined value of the current members' assets (£308,976 in 2015)

# Liquid Assets 2016

## Assets

## Liabilities

Debtors	£12,298	Creditors:	
Bank A/C	£83,840	Due within one year	£19,789
<b>Total</b>	<b>£100,701</b>	<b>Total</b>	<b>£19,789</b>

This gives a balance of **£80,912** which is our current liquid assets

# Recommendation

- The Management Group recommend a distribution of £6,443.75. As there was a deficit in 2016, we feel a higher distribution would be unwise. However we also recognise that distribution in the past has been cautious to allow for accumulation of funds for the one-off repair of the gearbox, which has now taken place.

We propose that this be distributed as follows:

- £5,369 to Members (2.5% of £214,750)
- £1,075 to Ecodyfi (2.5 % of £43,000)
- The £43,000 grant funding from Ecodyfi was not converted to shares, and the £1,075 would be in the form of a grant, in lieu of interest, in line with the original agreement between BDCR and Ecodyfi.

# Illustration of Interest Payment

<b>Shareholding</b>		<b>Interest Payment</b>	
£	100.00	£	2.50
£	500.00	£	12.50
£	1,000.00	£	25.00
£	2,000.00	£	50.00

Note: For reasons of compliance with HMRC, the distribution will be made from 2017 accounts, and hence does not appear in 2016 accounts

# RESOLUTIONS

1. That a distribution of share interest at a rate of 2.5% per share shall be made to Members in the 2017 financial year

2. That a Grant of £1075 shall be made to Ecodyfi in the 2017 financial year

## QUESTION???

*Why have Members Funds have fallen from £308,976 to £ 208,930 – i.e by £100,046, but our liquid assets have only fallen from £165,094 to £80,192 – i.e by £84,192 ?*

## ANSWER

Because we have depreciated the value of the turbines by £20,711 every year (shows as a cost) and “drip fed” grant income of £4844 (shown as income), giving a “paper loss” of £15,867 – which has been retained in the Society as cash.

Original *Financial* Objectives :

- To give Members a reasonable annual return, as permitted by the then IPS rules
- To *aspire* to return original share capital after 15 years of operation

- Since 2011, we have accumulated a cash surplus of £80,912
- We have to accumulate £214,750
- If we continue past years' performance, it should take another 4-5 years to accumulate sufficient to repay Members



## Is that what we want to do ??

We have undertaken the once-in-a-lifetime repair of the Nordtank. As a practical consideration, it would be prudent to retain at least **£50,000** as liquid assets, for unforeseen repairs

*These are some of the options the Committee will be thinking about in 2017...*

- Investing in another community project in the area
- Converting from “transferable” to “withdrawable” shares, allowing the Society to buy shares back from Members who wish to leave, thereby reducing number of shares
- Options for the longer term, including repaying Members, converting to a Community Benefit Society (BenCom) which dedicates all surpluses to defined community benefits

*New committee members, with the drive and enthusiasm to take these things forward, would be very welcome!*

THANK YOU !!