

Bro Dyfi Community Renewables Limited
Treasurer's Report on 2016 accounting period

Financial performance in 2016 was poor due to the Nordtank being out of action for repairs, and the cost of the replacement gearbox. The table below shows the headline results for 2016, with 2015 to allow a comparison.

| INCOME | 2015 | 2016 |
|---|----------------|-------------------|
| Sale of Electricity | £ 100,334 | £ 44,024 |
| Interest | £ 225 | £ 150 |
| Grant Income ⁽¹⁾ | £ 8,781 | £ 4,844 |
| TOTAL | £109,340 | £49,018 |
| EXPENDITURE | | |
| Insurance | £ 3,302 | £ 3,322 |
| Loan Interest to Shareholders | £ 7,516 | £ 10,748 |
| Grant to Ecodyfi | £ 1,505 | £ 2,150 |
| Accountancy and Admin Fees ⁽²⁾ | £ 6,428 | £ 5,573 |
| Rent and Rates | £ 3,653 | £ 2,650 |
| Service and Repairs ⁽³⁾ | £ 35,432 | £ 97,144 |
| Utilities | £ 4,952 | £ 5,701 |
| Misc | £ 974 | £ 867 |
| Legal Fees ⁽⁴⁾ | £ 1,110 | £ 200 |
| Depreciation | £ 20,711 | £ 20,711 |
| TOTAL | £ 85,583 | £ 149,066 |
| TOTAL SURPLUS/DEFICIT | £23,757 | (£100,048) |

Note 1 In 2015 included 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, as well as admin, book keeping and accountancy.

Note 3 Replacement gearbox £92,131. Other repairs and maintenance £5013

Note 4 2015 figures include Legal fees incurred during dispute with FCA

A loss of £100,048 was made in 2016. This was due to low electricity generation and the purchase and installation of a new gearbox for the Nordtank 500kW turbine (which was paid for from funds accumulated for that purpose)

Over the year, 466MWhs of renewable electricity were generated and the total income from electricity sales was £48,868. This is considerably lower than the previous year (1054 MWh and £100,334 in electricity sales) as the Nordtank 500kW turbine was not generating from July to November 2016 and overall production in the months in which it was generating was also lower

than 2015. (Some variance between years is inevitable due to the varying wind resource, and 2015 was an exceptionally good year.) In addition, the tariff we received for electricity from April 2016 was much lower than in previous years, due to a much lower price for wholesale electricity. (£95.80 per MWh from April 2015, £83 per MWh from April 2016, £94.80 from April 2017)

The Nordtank was not generating due to the necessary replacement of the gearbox. A major refurbishment had been budgeted for in previous years, and therefore the costs of replacement of the gearbox, which totalled approximately £102,000 (some of these costs are paid for in 2017). This was over the original budget and although most of the costs were met from reserves that had been accumulated for this purpose, a loss of £3670 has been carried over to 2017 which will be paid for through generation in 2017 (the shareholders funds in 2016 were therefore effectively reduced by £3670)

The V17 was out of commission in 2016 and therefore there was no income from this turbine.

Share interest of £10,748, based on 5% of members' investment, was paid out. Decisions about share interest paid were made at the 2016 AGM in May 2016 and were made in the knowledge of all factors, including the accumulated profit of the society, and that there were sufficient reserves to cover the 'once-in-a-lifetime' gearbox replacement.

Other expenditure includes Depreciation (£20,711) and Admin and operating expenses (£3,656).

The book value of shareholder funds as at 31/12/2016 was £208,930

Jacinta MacDermot,
Treasurer, BDCR,
2nd June 2017