

Profit and Loss and Cash flow Projections**Profit & Loss Projections**

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 -27	27 Year Totals
Energy produced in MWh	950	943	936	929	922	18,619	23,299
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from power generation	119	123	126	130	134	3,496	4,128
Operating expenses							
Maintenance	2	2	2	2	2	53	61
Replacement fund	–	–	–	–	1	104	105
Decommissioning fund	–	–	–	–	–	40	40
	2	2	2	2	3	197	206
Administration expenses							
Business rates	1	1	1	1	1	42	49
Rent	6	6	6	7	7	212	244
Insurance	4	4	4	4	5	142	163
Sundry expenses	5	5	5	5	6	177	204
Depreciation (over 27 years)	43	43	43	43	43	937	1,150
	59	59	60	60	61	1,511	1,809
Total operating & administration costs	60	61	61	62	64	1,708	2,016
Net profit/(loss) before tax & interest	59	62	65	68	71	1,788	2,112
Cash flow projection							
<i>(Inclusive of VAT unless otherwise stated)</i>							
Bank brought forward	–	112	152	109	134	159	–
Income							
Ordinary share issue	950	–	–	–	–	–	950
7-year bond issue	200	–	–	–	–	–	200
2-year bond issue	75	–	–	–	–	–	75
Power generation	129	133	137	141	146	3,922	4,608
Total cash income	1,354	245	289	251	280	4,082	5,833
Expenditure							
Capital equipment (excluding VAT)	1,150	–	–	–	–	–	1,150
Operational & administration costs	20	21	21	22	24	888	996
Interest on shares	48	48	50	50	52	1,092	1,339
Interest on 2-year bonds 3.5%	3	3	–	–	–	–	5
Interest on 7-year bonds 4.5%	9	9	9	9	9	18	63
Local community grants	5	6	6	7	7	575	605
Repayment of 2-year bonds	–	–	75	–	–	–	75
Repayment of 7-year bonds	–	–	–	–	–	200	200
Repayment of shares	–	–	10	20	20	663	713
VAT	7	8	8	8	9	309	349
Total cash expenditure	1,242	93	180	116	121	3,745	5,496
Net cash flow	112	152	109	134	159	337	337
Average annual return	5.0%	5.0%	5.3%	5.4%	5.8%	10.5%	9.5%