

# RAY VALLEY SOLAR

## KEY FINANCIAL TABLE ASSUMPTIONS

- 40-year project
- System degradation 0.4% a year
- 100% of electricity exported
- Total capital cost £10.1 million
- Post-grant debt to equity ratio 35:65
- Operating costs increase 2% a year
- PPA starting price £38/MWh rising 3% a year

## Summary projections lifetime (£)

	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
<b>CASH FLOW</b>							
Energy Sales Income	3,583,338	4,071,651	4,626,509	5,256,978	5,973,364	23,262,983	46,774,824
Operating Costs	-2,078,633	-2,200,962	-2,420,129	-2,662,107	-2,929,271	-10,683,632	-22,974,735
<b>Net Operating Cashflow</b>	<b>1,504,705</b>	<b>1,870,689</b>	<b>2,206,379</b>	<b>2,594,871</b>	<b>3,044,093</b>	<b>12,579,351</b>	<b>23,800,089</b>
Senior Debt Annuity and Fees (15 year tenure)	-660,442	-883,110	-1,008,426	0	0	0	-2,551,979
Members Interest	-799,863	-931,968	-887,718	-695,468	-270,968	0	-3,585,985
Members Capital Repayments	-25,000	-155,000	-265,000	-1,580,000	-1,783,872	0	-3,808,872
Tax	0	-2,714	-54,920	-261,362	-357,120	0	-676,117
Community Benefit Donations	0	0	-44,000	-85,000	-615,000	-12,880,128	-13,624,128
Operational Reserves	0	0	65,983	0	0	281,008	346,991
<b>Cash Surplus</b>	<b>19,399</b>	<b>-102,103</b>	<b>-53,685</b>	<b>-26,959</b>	<b>17,133</b>	<b>-300,777</b>	<b>-446,991</b>
<i>Minimum Year End Cash Position</i>	<i>91,621</i>	<i>15,534</i>	<i>2,162</i>	<i>1,843</i>	<i>14,709</i>	<i>1</i>	
<b>PROFIT AND LOSS ACCOUNT</b>							
Total Revenue	3,583,338	4,071,651	4,626,509	5,256,978	5,973,364	23,262,983	46,774,824
Operating Costs	-2,078,633	-2,200,962	-2,420,129	-2,662,107	-2,929,271	-10,683,632	-22,974,735
Community Benefit Donations	0	0	-44,000	-85,000	-615,000	-12,880,128	-13,624,128
<b>Operating Profit (EBITDA)</b>	<b>1,504,705</b>	<b>1,870,689</b>	<b>2,162,379</b>	<b>2,509,871</b>	<b>2,429,093</b>	<b>-300,777</b>	<b>10,175,961</b>
Senior Debt Interest	-60,442	-183,110	-308,426	0	0	0	-551,979
Members Interest	-799,863	-931,968	-887,718	-695,468	-270,968	0	-3,585,985
Depreciation	-1,218,609	-1,218,609	-1,218,609	-1,218,609	-1,218,609	-3,655,828	-9,748,874
Grant Write Back	548,374	548,374	548,374	548,374	548,374	1,645,122	4,386,993
Tax	0	-2,714	-54,920	-261,362	-357,120	0	-676,117
<b>Net Profit</b>	<b>-25,836</b>	<b>82,662</b>	<b>241,080</b>	<b>882,806</b>	<b>1,130,770</b>	<b>-2,311,482</b>	<b>-0</b>
<b>BALANCE SHEET</b>							
<b>Assets</b>							
Total Fixed Assets	8,530,265	7,311,655	6,093,046	4,874,437	3,655,828	-0	
Total Current Assets	466,391	364,288	310,603	283,644	300,777	1	
<b>Total Assets</b>	<b>8,996,656</b>	<b>7,675,944</b>	<b>6,403,649</b>	<b>5,158,081</b>	<b>4,204,064</b>	<b>1</b>	
<b>Long Term Liabilities</b>							
Senior Debt Principal	1,400,000	700,000	0	0	0	0	
Equity Loan Principal	3,783,872	3,628,872	3,363,872	1,783,872	0	0	
Capital Grant	3,838,619	3,290,245	2,741,871	2,193,497	1,645,122	-0	
<b>Total Long Term Liabilities</b>	<b>9,022,491</b>	<b>7,619,117</b>	<b>6,105,743</b>	<b>3,977,369</b>	<b>1,645,122</b>	<b>-0</b>	
<b>Total Assets Minus Liabilities</b>	<b>-25,835</b>	<b>56,827</b>	<b>297,907</b>	<b>1,180,713</b>	<b>2,311,483</b>	<b>1</b>	
<b>Shareholders Funds</b>							
Equity (LCH share in SPV)	1	1	1	1	1	1	
Profit/(Loss) for the Year	1,300	42,716	62,726	216,746	246,088	-483,232	
Retained Earnings	-27,136	14,110	235,179	963,965	2,065,394	483,231	
<b>Total Shareholders Funds</b>	<b>-25,835</b>	<b>56,827</b>	<b>297,907</b>	<b>1,180,713</b>	<b>2,311,483</b>	<b>1</b>	

\* EBITDA= Earnings before interest, tax, depreciation, and amortisation.

At the end of year 40, when the project is closed, all the cash still held in the bank (and shown in the balance sheet) is released as community benefit. The negative cash surplus in the period matches the positive opening cash balance.