

## Sark Community Power forecast Profit and Loss (P&L) to illustrate loan affordability

### Forecast P&L based on Sark sales and diesel costs and Alderney Elec operating cost benchmarks

#### Revenue

Sark Electricity Consumption 2024 (kWh)	1,523,261
Unit price (£/kWh)	£0.54
Unit rate income (consumption x unit price)	£822,561
Standing charge income (538 customers x £10/month)	£64,560

<b>Total revenue</b>	<b>£887,121</b>
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#### Direct costs

Diesel @ 25p/kWh	-£380,815
Engineering team (AEL benchmark)	-£157,194
Materials and 3rd party maintenance (AEL benchmark)	-£59,765
<b>Total direct costs</b>	<b>-£597,774</b>

<b>Gross margin</b>	<b>£289,347</b>
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#### Indirect costs

Admin and management (AEL benchmark)	-£120,833
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<b>Total indirect costs</b>	<b>-£120,833</b>
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<b>EBITDA</b>	<b>£168,514</b>
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#### Finance costs

SOG loan (if full amount borrowed)	£1,500,000	
Annual interest (worst case)	6%	-£90,000
Annual capital		-£40,777
<b>Total</b>		<b>-£130,777</b>

<b>Surplus after finance costs</b>	<b>£37,738</b>
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% of Revenue	4.3%
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*Margin will increase over time as revenue inflated but capital not*

Margin will increase with increased consumption and/or lower finance costs or less borrowing

Main reason for unit rate reduction is reduced diesel prices, which helps compensate for reduced revenue

### Forecast P&L based on SEL costs

#### Revenue

Sark Electricity Consumption 2024 (kWh)	1,523,261
Unit price (£/kWh)	£0.54
Unit rate income (consumption x unit price)	£822,561
Standing charge income (538 customers x £10/month)	£64,560

<b>Total revenue</b>	<b>£887,121</b>
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#### Direct costs

Diesel @ 25p/kWh	-£380,815
Engineering team	-£143,174
OPS	-£29,988
<b>Total direct costs</b>	<b>-£553,977</b>

<b>Gross margin</b>	<b>£333,144</b>
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#### Indirect costs

MD salary, directors pensions & expenses	-£81,926
Admin	-£20,141
Legal and regulatory	-£25,911

<b>Total indirect costs</b>	<b>-£127,978</b>
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<b>EBITDA</b>	<b>£205,166</b>
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#### Finance costs

SOG loan (if full amount borrowed)	£1,500,000	
Annual interest (worst case)	6%	-£90,000
Annual capital		-£40,777
<b>Total</b>		<b>-£130,777</b>

<b>Surplus after finance costs</b>	<b>£74,389</b>
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% of Revenue	8.4%
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