



## Lochgoil Community Trust

The Donich Hydro continued to outperform and to operate without fault in FY24, even during the extreme weather event of October 2023 when other local schemes unfortunately suffered severe damage. The LEL (Lochgoil Energy Ltd.) Board continues to work closely with our partner, Broadlands Energy (Donich) Ltd, in supporting prudent, well-advised decisions regarding energy pricing and the treatment of excess profits. From April 2023 to March 2024, the scheme generated electricity at a price of £320/MW versus the normal market level of £77/MW, largely due to continued global supply concerns. Profits made during this period have two main implications for our community

### **Dividend:**

Although the Hydro has out-paced business case expectations throughout its operation, resulting in above average dividends for the community of around £20,000 (versus an original expectation of £14,000), early action by Broadlands to secure a favourable supply contract in FY23 saw that year's community dividend peak at £41,000 - doubling that of previous years. Continued favourable contract pricing in FY24 has resulted in another outstanding year for our community, with our dividend doubling yet again to **£83,886**. We must bear in mind that these profits are a result of inflated energy prices, which have now returned to more normal levels, and **we should not expect such dividends going forwards**.

### **Loan Repayments:**

Our government funded hydro requires that 50% of profits are held as a security deposit against the loans that we and Broadlands took out to fund the scheme. In FY23, our security deposit grew well beyond government requirements, so the Scottish Investment Bank allowed LEL and Broadlands to use these excess funds to pay off £200,000 from the LEL portion of the loan. Continued over-performance allowed us to pay off our remaining loan in July 2024, compared to an original settlement date of January 2032 (7 years, 6 months early). This will save the community approximately **£15,000 per year** in loan repayments. **Note that not all of these savings will be realised as income**, due to increases in other rentals to Scottish Water and Forestry and Land Scotland, based on our profits.

Lochgoil Energy Ltd and Lochgoil Community Trust would like to thank Broadlands Energy (Donich) Ltd for their support and management of the Donich Hydro and the positive impact that the scheme continues to have on our community.

The extra dividend will be a significant help in kickstarting delivery of the Local Place Plan, especially some of the more ambitious projects.