

HOY ENERGY LTD

c/o AJB Scholes, 8 Albert Street, Kirkwall, Orkney, KW15 1HP

Year End report to loHDT Board – Financial Year Ending 31-03-2019

The trading year started very slow due to unusually low wind levels and the first quarter income was circa £95k where seasonal expectations drawn from past 7 years would look for circa £120k. Projecting that level of variance through budget planning lead to the issue of a formal profit warning.

Fortunately the weather decided to rubbish any and all spreadsheet outcomes and the three remaining quarters were high in wind yield for our site, and with good stable grid conditions we literally sailed through to profitability and a trading surplus by the year end.

Pre-tax profit stood at £159,921 on a turnover of £414,733 compared to a profit of £202,083 on a turnover of £474,718 during the previous year, around 10% less. Points of note are a £5k increase in direct costs due the Legacy Project and DBM fee's along with a decrease of over £5k from the removal of the various BT comms systems and telephone services, all other direct costs remained largely the same as the previous year. Interest charges continue to fall as loan balances are reduced. insurance premiums, maintenance costs, wages and bank charges all rose in line with the respective indexes to which they are linked.

The annual audit process was again in depth and increasingly complex due to HMRC requirements etc, but was completed with minimal fuss.

Finally, it just remains for me to extend our thanks to the loHDT, for their continued support of our efforts throughout the year.

Max Collop
Chairman
Hoy Energy Ltd.