

**To:** Niall McKeown[Niall.McKeown@moypark.com]  
**From:** David Mark  
**Sent:** Mon 3/3/2014 11:51:11 AM  
**Importance:** Normal  
**Subject:** FW: Improving Grower Returns with Biomass and Performance.xlsx  
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[Improving Grower Returns with Biomass and Performance.xlsx](#)

I will ring and talk you through this – would like your opinion and have my “theory” tested against the Model

**From:** David Mark  
**Sent:** Monday, March 03, 2014 10:53 AM  
**To:** Willy Patton; John Hoare; Paul Longstaff  
**Subject:** Improving Grower Returns with Biomass and Performance.xlsx

We are having some “chilling” for new growers when the accountants do a 10 year cash flow.

Equally we know that existing growers are flocking to Biomass as it enhances returns and we in MP encourage this as it is the sound thing to do.

New growers generally cannot borrow more than £620K but that could be a good thing as we know the tax breaks give 3-4 good years then 6 poorer years.

If we encourage them to lease finance the £65k boiler cost and pay from savings £20K PA (RHI & Fuel) over 4 years then the £20K savings (net £12K after 40% tax my assumption) will hit in in years 5 -10.

REDACT

Also we are basing the assumptions on Mid Point in the table – if they are upper quartile again a further £20K per annum kicking in part year 2 and years 3- 10

These 2 make a significant difference to the outlook.

Equally if a grower struggles and is bottom quartile – with biomass at £20K and AHP at £60k they have £80K income assured the other £50K of Bird income may fall to £30K – it's not a total unrecoverable disaster the £20K RHI is a big safety net.

Should we not be building this Finance Lease into the illustration – we want to sell this proposition

David

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Received from Moy Park on 01.09.2017  
Annotated by RHI Inquiry

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