



MINUTES

Harborough Solar One Ltd Annual General Meeting 2020

November 12, 2020

6.00pm

Meeting conducted online via Zoom video conferencing

Meeting called by the Board

Attendees (Member, unless shown otherwise)

Peter Jones (Chair)
David Robbins
Gavin Fletcher
John Twidell
Darren Woodiwiss
Neil Burke
Sharon Burke
Rick Greenough
Neil Adams
Lee Paterson
James Waddington
Robert Ball
Peter Devine
Judith Devine
Brian Davis
Ian Smout
Peter Wells (guest)
Mark Buckmaster (Master Accounting)
Donna Hanlon (My Admin Support)

Apologies Received

Herbert Eppel
Klaus Heinrich
Kerry Height
Ian Whittaker
Anne Gordon
Nikki Jones
Miriam Stoate
Alexandra Hopkinson



Welcome and Introduction

Peter Jones, Chair, welcomed members to the first online AGM for Harborough Solar One and opened the meeting at 18.00 hrs. The meeting was declared quorate.

Thanks were given to My Admin Support for the support given to Harborough Solar One within the course of the year and for the help given with this meeting.

Peter Jones thanked all for joining and meeting and for the continued support, and also thanked all Directors for their continued involvement. Thanks were given to David Robbins, who may be moving on during the forthcoming year due to a possible relocation. Peter reiterated that Harborough Solar One is always open to suggestions for additional Directors and is keen to invite members to become actively engaged.

For the benefit of the meeting, it was advised that all presentations will be uploaded to the website www.harboroughenergy.co.uk, together with the Minutes.

Project Updates 2020:

Financial Update – Gavin Fletcher

Gavin Fletcher was invited to present a financial overview of the Society.

Gavin reflected back on the purpose of the organisation, that the “business activities are used to generate greater community benefit”. As will be outlined through the meeting, the purposes are being meaningfully met at present.

Gavin presented the cashflow and highlighted that the Society had performed better than predicted in some areas. Key areas were mentioned as follows:

- The income on power sales have brought in more income than originally expected (note that these figures include VAT).
- Capital repayment – sadly due to the death of an investor, Directors offered to reimburse the capital as part of settling the estate. There is therefore an overpayment on capital for this year.
- Due to an ongoing Ofgem admin error there is currently £1,000 outstanding for FIT Income. This is in the process of being resolved and should still be receivable.
- Due to the issues surrounding Covid, the Directors resolved to allow Woodnewton and Archway some ‘covid relief’ – allowing 50% off their bills during the period of ‘extreme’ lockdown. This was due to their export not being measured and also in recognition that their use of electricity would be much lower than usual at that time. It felt the right thing to do for these organisations in that difficult period. This option was also discussed with NBJ, however, as they accurately measure their export it was concluded that this was not necessary.
- Cash at bank at 31st July was in the region of £17,000.



Gavin reported that now the projects are maturing, as part of ongoing financial management, the Directors have agreed to 3 basic financial principles looking to the future, as follows:-

1. That the admin needs of Harborough Solar One are recognised – All admin work is currently paid via Harborough Energy, however there is some cross-over and therefore had agreed that Harborough Solar One pays an annual admin fee across to Harborough Energy of approximately £1-2,000.
2. That an amount in the region of £4,000 per annum is set aside as a reserve for inverter replacement.
3. That an amount in the region of £4,000 per annum is set aside as reserve funds to cover lean years. In the financial model there are a few years where there could be a dip in income and therefore reserves are needed to cover these times. All numbers are estimate as would need to look at financial performance at that time.

Solar PV Performance – David Robbins

David Robbins presented a number of charts outlining the performance across the different sites (all available on the website).

Key points were raised as follows:

- The host sites have now generated 393,000 kwh of clean electricity to date, which equates to 176 tonnes of Co2 saved.
- With a UK average capacity of 11%, sites are running at around 12% efficiency, so are performing well.
- Outputs so far have doubled each year. It would be unlikely however to continue to double on that basis unless a significant new project was undertaken.
- David explained that data comes from EMig, pulled from the meters at each site. On a day to day basis it is possible to see any fluctuations in performance and identify any issues. David highlighted an area where it was clear there was a reduction (due to a blown fuse) and also dips in performance due to weather and time of year can be seen.
- 2/3 of the current output is coming from NBJ. NBJ's performance is maximised because it is a ground-mounted installation as opposed to the other sites which are roof-mounted and are more affected by shading.
- It was raised that alerts are received on a daily basis which enables any issues to be addressed quickly.
- Once a month our figures are shared anonymously with the Microgen Database at Sheffield University, which shows how NBJ compare with the rest of the UK (positively now and ahead of the pack in terms of performance).

John Twidell raised that it is not our main intention to export (it does not generate as much income) and that the preferred option would be for the host to use as much of the electricity as possible.

Peter Jones added that we are now able to consider as a future option battery storage, so excess generated could be stored for future use, eg at night.



Annual General Meeting Formalities

a) Minutes of meeting held on 19.11.2020

All minutes from last years meeting had been previously circulated to members and it was confirmed that no comments had been received back. David Robbins therefore proposed that they be accepted and Darren Woodiwiss seconded this. These minutes were therefore formally accepted as a true and accurate reflection of the meeting.

b) Directors Resignations

This year routine resignations by rotation are due and therefore Peter Jones and Gavin Fletcher stood down. Both Peter and Gavin confirmed that they are both happy to put themselves forward to be nominated again, should the meeting so wish.

c) Nominations and appointment of the Board of Directors

David Robbins and Darren Woodiwiss nominated Peter Jones for re-appointment

An online resolution was held for the re-appointment of Peter Jones as Director and Chair, and all who voted (12 members) agreed that Peter Jones be re-appointed.

David Robbins and Darren Woodiwiss subsequently nominated Gavin Fletcher for re-appointment. In the online resolution, 11 out of 12 votes were offered in acceptance with one absention.

It was therefore confirmed that Peter Jones and Gavin Fletcher were both re-appointed as Directors.

d) Receipt of Accounts

Gavin Fletcher introduced Mark Buckmaster from Master Accounting and thanked them for the marvellous support that has been received again this year. Prior to the formal resolution to accept the accounts, Mark ran through some key information.

- Turnover at £20,270 has doubled from last year which would be expected, due to the second project now bringing income in.
- Operating costs have been reduced from £19,761 last year to £14,597 this year. This was mainly due to a saving in professional fees. The remaining costs related to basic running costs that would be expected together with depreciation.
- There is an operating surplus this year of £5,672 compared to a deficit of £9,460 last year. Interest payments have been paid to the members who have invested which leaves a deficit (which includes the depreciation figure) of £2326.
- The balance sheet shows tangible assets of £154,322 (depreciation taken off).



- The capital and reserves show a difference of £5,000 for project 1. This is due to the return of investment to the estate of a deceased shareholder.

It was put on record that the accounts have been circulated previously to all present at meeting and all other members. The Directors have all seen and approved the accounts previously and they will now be submitted to the FCA with the annual return.

Gavin Fletcher outlined that a formal record had been added to the accounts regarding the Covid relief that had been given to Woodnewton and Archway.

Peter Jones thanked Master Accounting and Gavin Fletcher for their help in putting together this information. Peter explained that as Chair he is content with how things are going; objectives have been achieved, turnover doubled, cost base has shrunk and cash and reserves are stable and improving. The general outlook politically in terms of the general 'scene' and acceptance by broader society with regard to the issues with global warming and climate change are assisting in hopefully being able to generate a positive level of interest going forward.

A question was raised regarding when a profit is to be expected? Some explanation and discussion came from this, the key points of which are:

- Gavin Fletcher explained the depreciation aspect will always flow through the accounts. In terms of the cashflow the Society is cash positive for the year but then in terms of accounting, there will always show a deficit on the accounts.
- Mark Buckmaster explained that the operating surplus is the key area of interest and that if trying to determine whether a profit is being made, then depreciation needs to be excluded. Using EBITDA (earnings before interest, tax, depreciation and amortisation) then the Society is already in profit. It is the depreciation which gives a final deficit.
- Peter Jones explained that in terms of whether further increases in income can be expected, there are opportunities presenting themselves to continue growth locally, particularly with reference to a government programme that has been launched.
- John Twidell raised the point that as a Co-operative, it is not actually designed to make profit but what it might have is a surplus, which would be used for Community Benefit. David Robbins added that it's a very fine point – if we stick with the two projects that we have, we will be very finely balanced. We are at equilibrium – on the verge of being able to meet the social expectations albeit on a fairly small scale but nevertheless a few more schemes will expand that capability.

Peter Jones tabled the accounts and board and management report for formal acceptance. The resolutions were unanimously accepted by all 14 members that voted.

e) Application of Profits

Gavin Fletcher advised that following the applications of the financial principles mentioned previously, the Society is pleased to suggest applying an amount of retained profit for



Community Benefit. It is proposed that going forward, every year, the Directors allocate an amount for community benefit – and this year approximately £4,000 is hoped to be allocated. It is hoped that members will participate in helping to decide how community benefit funding is applied and therefore it was asked that members send in any suggestions by 10th January 2021. There is a Board meeting scheduled for 21st January 2021 and along with members suggestions it is hoped that 3 volunteer members would attend the Board meeting to help decide how we apply the community benefit funding. The email for suggestions and volunteers is harboroughenergy@gmail.com, and any input would be gratefully received.

A resolution regarding the application of profits was proposed as follows:

“The members agree to the ongoing application of an amount of profit to Community Benefit, as finalised by the Directors. This will be used to fund local energy related projects, as nominated each year by the Directors in conjunction with members”

One of the members raised concern that there are no retained profits available for distribution. David Robbins explained there are sufficient funds in the bank to allocate £4,000 and spend it on community benefit and the business would not apply any funds that would be beyond bank capacity. Peter Jones added that dividends expected can be paid, additional provisions can be made for the failure of invertors on a prudent basis for assets that are likely to fail in the 3-4 year old installations we have, and this distribution to the community can still be made. If anything changes, the dividend strategy will be maintained along with the prudent replacement strategy for assets likely to fail, and any reductions will take place in this social disbursement, but at the moment we are in a healthy position.

It was stressed that any more detailed queries would be welcomed outside of the meeting and encouraged anyone to make contact should they wish to follow up.

The vote for the passing of this resolution was put forward – 13 acceptances were received and one abstention. (92% accept and 8% abstain). The resolution was therefore passed.

The formal part of the meeting was therefore drawn to a close.

Other

a) Community Benefit Examples

A slide was presented with some ideas of the sorts of projects that could be considered for Community Benefit including:

- Fuel vouchers for those in fuel poverty
- Advice or energy efficiency measures for those in fuel poverty
- Training or a bursary for energy related work for someone locally (ie whole house retrofit)
- Energy saving measures for a community or school partner
- An open grant for organisations to apply to for energy related work.

As mentioned previously, members feedback and ideas would be welcomed.



b) Investor returns

Gavin Fletcher advised that the actual financial performance is as projected, and therefore it is expected to pay members an annual return as set out in the share offer document – 5% for project 1 and 4% for project 2. This will be paid around February 2021.

Peter Jones gave thanks to those members who had offered to forego their dividend and put that into the community pot.

c) Any other business

Peter Jones summarised that the general outlook is positive. There has been a recent government announcement of a billion pound grant programme (Public sector De-carbonisation scheme) specifically available– Harborough Energy are actively involved with this with a local schools Academy Trust. This could potentially result in a business opportunity to assist the Academy Trust in their application and to underpin their ability to achieve this, particularly around solar. It is a very active prospect which hopefully can be reported on again further in due course.

Peter concluded with a plea for additional volunteers to consider joining as formal Directors or as volunteers with specialist areas of expertise.

Peter Jones thanked everyone who has taken the time and trouble to join, thanked all for the questions raised in the course of meeting, and stressed that further questions after the meeting would be welcomed.

The meeting was brought to a formal conclusion at 7.13pm .