

## **Harborough Solar Ltd : Chairman's Report for 2022 - AGM**

This year your Board reports after the “Black Swan” event of Russia’s invasion of Ukraine with the consequent fall out on energy pricing throughout the economy. Other wider global events have driven the messaging around climate chaos coupled to unabated increases in the levels of atmospheric and oceanic concentrations. Increased levels of devastation and heat are driving political mainstream acceptance of the need to shift from fossil fuel generation. The case for wider take up of renewables continues to expand the level of enquiries we receive. Sadly we report the death of 1 Member this year.

Our Board has also changed in composition with the departure of 2 valued and long term Officers – Gavin Fletcher and David Robbins. Both have provided invaluable support and wisdom since our foundation and the gap they leave is a difficult one to fill. We welcomed Carl Tiivas and Stephen Rankine to our ranks however and they bring skills and energy to our reformed Board, particularly in respect of technical and financial skills. Officer Reports will cover the detail of specific aspects and my intention here is simply to reassure you that the underlying operation remains on track and our performance has been closely aligned with original predictions 5 years ago. The mechanical and yield challenges demanding your Board’s attention in the 2020/21 period have taught us lessons and informed improvements in our control systems still further.

Financial performance continues in line with expectations but this year’s numbers reflect our decision to repay the Estate of our deceased investor a significant sum in respect of their investment in 2 stages in line with their Estate wishes. Although impacting on current yields such decisions improve yields for remaining investors in the longer term and enable us to sustain good investor relations.

The current pricing levels for electricity have seen underlying charge levels trebling from 12p to 35p or more. All our price reviews are undertaken in Spring anniversary dates and your Board has taken the decision to review strict contractual terms permitting renewal levels of market price less 18% given the un-naturally level of gas related pricing and the probability of decline as global supply patterns adjust. The government has indicated a preparedness to charge renewables generators on the “super profits” resulting from technologies where base production costs have not radically changed (such as ours). At the moment it is a case of “watch this space”. I urge any Member with any interest in being a part of the Team to translate that into Election to the Board in the interests of diversity, transparency and new ideas. I thank our retiring as well as my fellow Directors for their support and wise Counsel in the course of the year.

Thus far, in the absence of suitable candidate projects, we have not used our surplus on any specific projects in line with our original plan. Our largest project- LearnAT Academy Trust- decided that they lacked the resources to pursue the recommendations in our Report despite what, in retrospect, would have delivered substantial economic benefits. In fact your Board has arrived at the conclusion that in the absence of extra Board nominations to share the load it would be invidious to continue expanding into new projects (and new fund raises) just because they are there. To simplify operational issues management, procurement and quality management we have therefore signed an agreement with Sharenergy Ltd of Shrewsbury to take over our monitoring and maintenance arrangements from August 2023. Sharenergy work in partnership with EcoEnergy as their commercial arm and they are raising capital at a national level to integrate new opportunities at scale. All new enquiries will therefore be routed to them.

Shifts in central Government policy led to the transfer of the “Warmer Homes” initiative and associated initiatives to Local Authorities direct control. This rendered the functions carried out by Harborough Energy redundant and therefore we took the decision to wind up the operations of that business. All formalities linked to that closure are now completed.

On the Administration front I would like to recognise the contribution we have from My Admin Support who continue to do precisely what it says on the tin! This has relieved your Board of time onerous administrative tasks and ensured our legal responsibilities are met to time and in full as well as maintaining open lines of communication externally. We also thank Master Accounting for their work in ensuring our legal obligations in respect of reporting are met.

In conclusion it is my pleasure to thank my doughty team of fellow Directors for their support and continued enthusiasm. That comes with experience across a suitably wide range of disciplines and skill sets which have underpinned our ability to react quickly to unexpected challenges and opportunities in a framework of good humour and mutual respect. We will continue to liaise with other similar organisations to us across the UK as we face the challenges ahead.

Finally, a thank you to you, our Members for your continued support now and in coming years.

**Peter Jones O.B.E**

**Chairperson.**

**November 2022.**