



**Westmill Solar Co-operative Limited
Annual General Meeting 2014
Saturday 7TH June**

*DRAFT Minutes of Westmill Solar Co-operative's third AGM held on
Saturday 7th June at Shrivenham Memorial Hall SN6 8BL.
These minutes will be draft until they are approved at the next AGM.*

Attendance

Present: Philip Wolfe (Chair), Sarah Gray (Director), Mark Luntley (Director), Bob Pedley (Director), Nicola McConville (Director), Adam Twine (Director), plus an additional 108 members.

Registered proxy votes: 14

Apologies: Tom Parkinson (Director), plus an additional 327 members

The meeting comprised over 12 members and was therefore quorate.

Total number of members voting: 455 (28% of the membership).

Welcome from Philip Wolfe (Chairman)

Philip introduced the day regards what would be happening and who was present. He gave a reminder on the overall administration of the Solar Park and Co-operative: Ethex for Administration, OST manages the solar park assets and Critcheys audit the accounts

Directors' Reports

- **The Performance of the Solar Park - Philip Wolfe**

Performance of the park has been consistently above expectations. This indicates that the system has been well designed and built. The performance ratio (the AC output power delivered to the grid, divided by the rated DC power the panels should deliver) was guaranteed at about 80%, but has averaged approximately 90%.

- **Financial Report – Mark Luntley**

Review of key messages from the financial accounts:

Auditor's report provides unqualified audit opinion.

Income and expenditure: As mentioned above 2013 was a good first full year. 2012 was a partial year including winter months.

Costs: a series of transactions were made in order to raise the funds to buy the solar assets. A bridging loan was required prior to finalisation of a bond agreement with Lancaster County Council Pension Fund. The Investec bridging loan has therefore been repaid. However the bond was slightly larger and therefore there is an increase in cash held on deposit.

Group account: The Cooperative has bought the solar park assets from another company called Blue Energy, which was established in order to enable the park to become operational in time to qualify for the highest level of FIT payment. Costs were incurred in order to make this purchase and these will be written off over the life of the project.

Shareholder capital remains at about £5.5 million

Income for the year amounted to £1.9 million, the majority of which is from FIT payments.

Costs: The major cost is depreciation of assets and capitalised costs, which will be written off over the life of the project. In addition there are bonus payments to Abacus related to the actual performance of the park, plus rent of the land and operations and maintenance and administration costs.

Cash has increased as we replaced the Investec bridging loan with long-term bond. The bond is now being repaid in accordance with the terms agreed.

Tax is not due at present as capital allowances on the equipment can be offset, but provision is being made for future tax liabilities.

Shareholder interest will be paid amounting to £116,211 which is approximately 2p per share .

Return of share capital: each year this payment will be made but due to excess loan funds the payment this year will be higher. This will not affect subsequent year capital returns.

- **Membership, external relations and share transfers – Adam Twine and Ethex**

The Cooperative is owned by its members and therefore it is important to know what members want. An electronic newsletter is produced and the website is frequently updated, including FAQ. Also available on the website are performance data (real time data is being made available) and board minutes.

As clarified at the 2013 AGM the Cooperative can only run the solar park. Therefore, we are looking for other ways to promote green energy. Last autumn the board held a meeting with invited experts involved in researching further developments: The 'Westmill Fund' is an outcome of that meeting. One breakout session in the afternoon covers this.

Westmill Solar Co-operative also led a consortium bid to the Technology Strategy Board 's [Localised Energy Systems Initiative in April](#). Our bid was not successful but we are still working on ideas for additional elements to be included onsite.

Philip Wolfe has promoted Community Energy England –successfully launched last week. There is another breakout session on this.

Westmill Solar provided as response to DECC on its strategy for community energy National and local press coverage has been achieved and advice to other prospective cooperatives has been given.

Some research has been conducted on site including a case study on bio-diversity for DECC. Also Lancaster University has been looking at climate change emissions effects of solar farms.

Adam requested members to be as engaged as they wanted to be and stressed that there are many networking opportunities.

- **Jamie Hartzell on the Ethex share trading platform**

Ethex has created a web platform to promote and enable positive investments. Most ethical platforms screen out investments in tobacco and perhaps fossil fuels, but Ethex is a more positive investment platform: financially, socially and environmentally positive. Westmill is a 25year project and some members may need to realise their investment early. Therefore, the opportunity to divest will be provided by this site, which will match buyers with sellers. Anyone interested should contact Ethex. This information will also be emailed to shareholders when the site goes live. The Registry Trust is also here today to discuss any issues with transferring shares, etc.

- **Repayment of share capital, final hive-up of Blue Energy and outcome of EIS – Nicola McConville**

The EIS application was not anticipated when the Cooperative was being set up, but then there appeared to be an opportunity so an application was submitted but HMRC. This has now been refused because the share capital was used to to acquire shares in another company rather than purchasing the solar park directly.

Blue Energy, the company purchased by the Cooperative, is no longer required as Westmill Solar has acquired all its assets. Therefore this company will be dissolved at Companies House. Once dissolved there is no risk of any future liabilities.

Repayment of Share capital, as mentioned earlier is necessary as too much cash is available. The Board was very prudent with initial projections. This will be returned to members as mentioned below. The total interest on members' shareholding will be unchanged although the number of shares held will be reduced after the repayment.

- **Additional points: Philip Wolfe**

The current month's performance will be very poor as the park will be disconnected for maintenance from 10- 20th June (although the Windfarm may have negotiated this down to just 3 days)

In order to reduce risk, monies with the Cooperative Bank have been spread to other banks. Accounts have been opened with Barclays and Handelsbanken .

Members' comments, questions and answers:

David Uren: asked about the outcome of the survey with 400 participants and if members were interested in a Westmill Fund. Only about 20% of respondents thought that such a Fund should not be set up. Adam reiterated that we are not suggesting that member's capital will be put into the fund automatically – members will have the choice. The sort of investment was primarily around shares in renewable generation or loans for the same.

Mark Gill: asked about the Solar Park going off-grid in June - how much notice was given and how much compensation would be paid. Answer: now only 3 days off grid was expected as the Windfarm has been negotiating to reduce the time. Very short notice was given.

Janet Warren: Asked about the policy of the Cooperative with regard to tax payments and reminded members that a new movement had been established to stop avoidance of tax and asked whether the Cooperative would apply for the Fairtax Mark? Answer: Bob Pedley emphasised that no tax avoidance will be undertaken and the appropriate tax will be paid when the time comes. He also pointed out that interest will be paid gross and therefore interest has to be declared by members on their individual tax returns. When the Cooperative starts paying tax there may be a double tax charge. The Directors will look into Fairtax accreditation.

A member: Asked about Co2 accreditation and whether the amount of carbon embodied in the solar equipment had been calculated? Answer: this information has been requested but not yet received.

Geoff Ramshaw: Asked for clarification of the EIS application failure and whether investment in Blue Energy was necessary in order to obtain the higher feed-in tariff? Answer: Yes. Also asked why the additional cash available was not used to repay

the LCCPF loan earlier? Answer: the conditions for early repayment are not attractive

A member: Asked Adam if he would do it again, and, if yes, what would he do differently? Adam: it is still financially viable to make solar farms although returns will be lower. He would not do it at such speed second time around.

Philip Rattenbury: asked In relation to financial payback, what happens to share certificates. Answer: new certificates will probably be required but old certificates might not need to be returned. Share certificate numbers will change but not membership numbers.

Penny Hockley: As the WeSet coordinator she made a request for volunteer guides for schools etc. She can be contacted through WeSet bookings. Penny emphasised that there is a lot of interest in visiting the park

Liz Rothschild: why redistribution of money to other banks included Barclays Bank and not Triodos. Answer: Triodos is not credit rated.

Colin McEwen: asked about the timetable for repayment of capital. Answer: interest is approved for payment and this will be done very soon. Capital will be repaid between now and end of 2014. If Westmill Fund is established in time, then payments could be made into the Fund by those members wishing to do so.

Andy Whitaker (for Nicola Whitaker): Stated that progress in Wiltshire on renewable energy is slow, and asked if any advice sought for airfield site. Answer: Westmill was approached during initial scoping of this very large proposed scheme. As the rules are changing all the time and the scheme is very large, Westmill's prior experience may not be fully relevant.

Peter Rettenberger – asked about the 20% capital repayment and who will own the 20% after repayment. Answer: the returned shares are cancelled so everyone retains the same proportion of ownership. The requirement to reissue share certificates is based on legal advice.

Candidates for directorships gave short presentations followed by a collection of ballot papers

Formal business

Approval 2013 AGM minutes

Minutes approved subject to the following correction: Chris Eley misspelt in minutes.

Receipt of the audited accounts for the financial year ended December 2013 incorporating an interest payment of 2p per share.

Proposed: Martin Hayward (for Anne Hayward), seconded Philip Rattenbury

At the meeting – all in favour

Votes in advance - 291 in favour, 11 against, 25 abstaining

Approval of return of capital to all members of one fifth of each member's shareholding of A and B shares.

Proposed Philip Tucker, seconded David Harnett

At the meeting – all in favour

Votes in advance – 239 in favour, 19 against, 67 abstaining

Reappointment of Critchleys as auditors.

Proposed Mark Luntley, seconded Clive Goodman

At the meeting – all in favour

Votes in advance – 301 in favour, 3 against, 22 abstaining

Agreement to make payments to a community fund, of 1 percent of surplus profits, and that such payments be made earlier than year 5 if there is sufficient surplus to do so.

A discussion was had that the motion was not clear in that 'Community fund' is not yet defined and that therefore the board is ahead of itself. The idea is that it will be a community organisation, such as WeSET or similar organisations and member's suggestions are welcome.

The meeting agreed that at the 2015 AGM the Board will present a more specific proposal and the payment will be made retrospectively if the next AGM approves.

The motion was therefore put to the meeting as a motion in principle.

Proposed Margret Tait, seconded Liz Rothchild

At the meeting - In favour 58, against 16, abstaining 28

Votes in advance – In favour 233, against 32, abstaining 62

Resolution that the directors' be remunerated

Members agreed that board members should be present during the discussion.

Philip Wolfe outlined the process that had been followed: originally no payment was foreseen, but the board decided to seek members' views and a survey indicated that at least 50 percent supported payment. Members made a very high response to the survey. Comments received indicated that independent experts should be asked to propose the level of payment, but not professional experts as this would be too corporate. A small group of 4 members were then asked to serve as an ad hoc advisory committee but none are present today. The committee proposed payments of £1000 per director per annum, not index linked but to be reviewed after 4 years. £1250 for the Chairman. The reasons for this proposed change are: the issues that directors are required to consider bear a level of responsibility and if entirely voluntary they may not give as much attention as is required. Also, payment enables more diversity in potential board members. There will be no change in director's legal responsibility. Out of pocket expenses are paid other than for attending board meetings.

Proposed Clive Goodman, seconded Chris Eley.

At the meeting - a substantial majority.

Votes in advance – In favour 251, against 29, abstaining 47

Directors remuneration be set on the terms proposed and at the level recommended by the adhoc members remuneration committee

A member suggested that the amount of the payment should be reviewed earlier as it was very low, but the Chairman stated that it was too late to suggest this as the vote had been taken. Can be however be reviewed next year.

Proposed Mark Gale, seconded Janet Warren

At the meeting - a substantial margin

Votes in advance – In favour 263, against 17, abstaining 43.

A member requested that if another committee was required could it be more formerly constituted? Chairman stated that the ad hoc committee worked well and that the Board should form any future committee from members. Members were happy with this.

Director elections

Nicola McConville and Mark Luntley were elected. Two members had also proposed that Mr Crane should be connected with the board to assist in developing new projects. It was confirmed that a provision for co-opting is available.

Commiserations and thanks were offered to other candidates.

Close of Formal Business

A member stated his disappointment that some other candidates did not succeed as energy storage is a very important issues for the Board to consider. However, it will more likely be pursued outside the Cooperative, as the existing Cooperative would not earn additional revenue, so there is no financial incentive for this. Adam Twine is looking into this area.

Clive Goodman – power generation - peak demand – in the summer too much energy and have to absorb it artificially – could we not supply peak demand – nationally this will become more important with more solar and this will be discussed this afternoon.

Philip introduced the 5 breakout sessions (as set out below).

Adam Twine mentioned that a researcher on environmental change, an Oxford PhD student would like to talk to members during the lunch break.

Adam also suggested that it might be good to consider future initiatives at a separate meeting?

LUNCH

Alan Simpson, Future prospects for Community Energy followed by Q&A.

Alan is the MP for Nottingham South until 2010, one of the primary architects of the introduction of the Feed in Tariff into the UK and passionate advocate of community owned energy.

Breakout Sessions

- Westmill Fund – results from survey and how to take idea forward led by Mark Luntley

- Hydrogen – a cure for intermittency? Led by Prof Rex Harris
- Retrofitting your home for effective heat loss reduction led by Tim Nicholson
- Community Combined Heat and Power led by Martin Crane
- Community energy at Westmill - the next step led by Adam Twine