

The Pump House  
Shrewsbury  
SY1 2DP

20 May 2016

Dear Member,

You have hopefully received the date notification for this year's Annual General Meeting, the first for the Society. Please find attached to this letter the papers for that meeting.

If attending the AGM we would appreciate if you could notify us by email to [agms@shareenergy.coop](mailto:agms@shareenergy.coop) - this is not a requirement but helps us to judge numbers

Please note that the Rules adopted by the Society do not currently permit proxy or postal voting on all motions. We understand that this is a democratic deficit for the Society, given the wide geographical spread of membership. The Board will change the Rules to make this possible at future AGMs.

However the Rules do permit the election of the Board members by ballot. To vote please either:

- a. Complete and send back the attached ballot paper, by email to [agms@shareenergy.coop](mailto:agms@shareenergy.coop) or by post to Heartland Wind Co-op, The Pump House, Coton Hill Shrewsbury SY1 2DP
- b. Fill in a ballot paper in person at the AGM.

Please aim to be at the venue by 13.00 to allow time for registration, a cup of tea etc. AGM business proper will start at 13.30 and will normally take around 60 to 90 mins. After the AGM any members who wish to do so are very welcome to come on a guided tour of the site. Note: the site is approximately 3 km from the AGM venue. The last km is on the turbine access track, which may be too rough for some vehicles – we will arrange car-share in suitable vehicles on the day.

In these papers are a short Directors report for 2015 and more detailed interim report for 2016 – there will of course be the opportunity to ask questions of Directors at the AGM or at any time by emailing [info@heartlandwind.org.uk](mailto:info@heartlandwind.org.uk)

We hope to see you at the AGM.

Yours sincerely,

Jon Halle

on Behalf of the Board

Encs:

AGM Notice

AGM Ballot Paper

Financial statements 2015

Interim directors report for 2016 (this does not form part of the formal AGM papers)

# HEARTLAND COMMUNITY WIND

## NOTICE OF ANNUAL GENERAL MEETING

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TO BE HELD ON 4 JUNE 2016

NOTICE is given that the Annual General Meeting of members will be held at 13.00 on 4 June 2016 at the Pavilion, Kenmore Sports Field. Kenmore, Perthshire, PH15 2HQ for the following purposes:

### AGENDA

Welcome and introductions

Completion of Board member ballot and announcement of result

Motions:

1. In accordance with Section 84 of the Co-operative and Community Benefit Societies Act 2014, a resolution not to undertake a full professional audit of the co-operative for the year
2. To receive and adopt the Report of the Directors and the Annual Accounts for the year ended 31st December 2015
3. Any Other Business

By order of the Board

Jon Halle

Company Secretary

# HEARTLAND COMMUNITY WIND

## NOMINATIONS TO THE BOARD

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The Rules allow for a maximum number of seven Board members of which one third must retire each year in rotation except at this first AGM where all Board members must retire and may seek re-election. Jeremy Thorp will retire by and will not seek re-election. Jon Hallé and Mark Jennison will retire and will seek re-election. For biographical background on Jon and Mark please see the share offer document.

### **Biographical Notes for New Candidates Standing for Election:**

#### **Jerry Evans**

My working life has been spent in the Music Services Industry in London, I've been involved with audio equipment rental, live events and recording studio provision. Till recently I owned a complex of recording studios in Queens Park London. I sold up in 2014 to slow down or at least re-focus.

Now I concentrate on small investments, mostly in the renewable energy and property fields. I am currently renovating some listed buildings in Haverfordwest Pembrokeshire with a mind to heritage and sustainability, not always the easiest partnership.

I keep my hand in with the events industry through my headphone hire business, which is actually just me working from my garage. It makes people smile and pays the bills, the headphones are re-chargable and the power comes from 15 solar panels on the roof of the garage.

#### **Elizabeth Leighton**

Elizabeth Leighton has lived in Grandtully for over 20 years. She is a self-employed consultant, providing advice and research on energy efficiency, fuel poverty, community engagement and climate change. She is a member of the Breadalbane Academy Parent Council, having chaired the Grandtully Primary Parent Council for six years. She has also served on the Grandtully and Strathtay Village Hall Committee.

She is the policy advisor to the Existing Homes Alliance Scotland, a coalition of consumer, anti-poverty, social housing, industry and environment groups calling for action to make Scotland's homes fit for the 21st century. She is also policy advisor for the Scottish Fuel Poverty Strategic Working Group. She is also Chair of the Climate Challenge Fund Grants Panel, a Scottish Government fund for communities taking action on climate change.

In her earlier career, Elizabeth worked for the US Foreign Service, with postings in Moscow, Sofia, London and Edinburgh.

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## DIRECTORS REPORT 2015

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The Society launched its first share offer in February 2015. This raised £450,000 and enabled deposits to be placed on the turbines. The main share offer launched on 28 April 2015, and ran throughout the summer. The Society completed its fundraising in November 2015. It has 1,487,424 £1 shares in issue. The remaining funds were supplied by a surplus-sharing loan of £368,000 agreed with the landowner, whereby the returns to the loan are broadly in line with those to members and vary with turbine performance.

The turbines were commissioned on 18 December 2015, in time to qualify for the Feed-in Tariff that had previously been pre-accredited. The installation was hampered by substantial snowfall in the area and at times extremely challenging weather.

By the end of 2015 the turbines had generated only small quantities of energy. The Board prioritised timely installation above all else meaning there were a number of issues that would remain to be fixed in 2016.

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## DIRECTORS REPORT 2016 (not part of official AGM papers)

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During 2016 the Board has concentrated on bringing the turbines into full regular production. There have been several issues, summarised below:

**Grid.** The Network Operator was not able to allow us full export at the site. Upgrade works were delayed for several months. During this period the turbines have been run at low power and have generated only 4770 kWh by the date of this report. We are very pleased to report that full grid export is now expected to be available to the project by 26 May.

**Blades.** As an interim measure one turbine was fitted with smaller blades – the only set available in order to meet the deadline. This has not been a major issue given the restricted export, so in order to reduce costs the Board has agreed to allow the earmarked replacement blades to be used on another project. As a quid pro quo the installers will install a new set of blades on this turbine in June free of charge.

**Site issues.** Some damage was caused to the public road during installation. Some drainage issues around the substation occurred during very heavy rainfall. Extra works have been commissioned and carried out to solve both these problems.

**Service and Maintenance.** Unfortunately and as a result of the abrupt change in Govt policy, a number of well-established renewable energy suppliers have ceased trading recently, including Mosscliff Energy. RM Energy, our installers and service contract suppliers, were set up by Realise Renewables and Mosscliff Energy in partnership. RM Energy is still trading and has been very active in helping to sort out the post-installation issues. However as they now have reduced maintenance capacity, the Service contract has been moved so that we have now negotiated a direct service and maintenance agreement with WTN UK, the UK branch of the turbine manufacturers WTN.

**Finance issues** The extra costs incurred during installation and in meeting the site issues above have more than used up the contingency fund provided for in the original projections, with an overspend of roughly £20,000. As a result, some suppliers agreed to defer payment pending VAT reclaims. These suppliers have now all been paid except Shareenergy who have agreed to defer payment of their development fee (£25,000) until the turbines are at full export capacity and the project is in funds. A further cashflow difficulty has been caused by the delay in revenue generation on site. No income has been available to cover normal operational costs – notably the cost of annual service and maintenance. This shortfall has been covered by a private loan of £22,000 made to the project by one of its members.

**Delayed income.** As a result of the loss of 5 months of production, the Directors anticipate that the project will make a trading loss in 2016. Therefore there will be no interest payment to members in 2017 as projected – this will move back to 2018. Similarly the community fund start has been delayed by 1 year with the agreement of Perth College.

**Performance.** It is too early to predict what the long-term impact of the higher-than anticipated build cost will be on the project finances over time. This will depend on turbine performance and on the real windspeed on site. While the turbines are fitted with anemometers, these are for control purposes only and do not give accurate readings (they are too near the blades). Therefore we will only really know how

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much energy the turbines will produce once they have been running for a few months. Login details for the online monitoring system will be sent to all Members once available.

**Board.** Jeremy Thorp is standing down at this AGM and the Board extends its thanks for his work in getting the project up and running. Mark Jennison and Jon Halle are staying on. David Newsome is also present on the Board as a co-opted representative of the landowner at the site – this arrangement has been made for the first 3 years of operation. All Board members rotate and must either retire or stand for re-election every 3 years.

We have 2 Members standing for the Board at this AGM – many thanks for them for offering to take up the role. Nominations are now closed for this AGM but we remind Members that any Member is entitled and invited to stand for the Board and to get involved with the running of the turbines - the Society depends on its volunteer directors who typically meet quarterly (but have been meeting every 2 weeks during 2016 to solve the sometimes intricate post-installation issues detailed above)