

Heartland Community Wind Ltd

The Pump House  
Shrewsbury  
SY1 2DP

13<sup>th</sup> June 2017

Dear Member,

**Re: Heartland Community Wind AGM: 8 July 2017**

You have hopefully received the date notification for this year's Annual General Meeting, the second 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 aim to be at the venue by 14.00 to allow time for registration, a cup of tea etc. AGM business proper will start at 14.30 and will normally take around 60 to 90 mins. The rest of the Royal Scottish Geographical Society building is open to the public on the day with many other things to see so you might like to have a look round before or after the AGM – see <https://rsgs.org/exploring-geography/fair-maids-house/> for more details.

If you are unable to make it, we would be grateful if you would return your proxy voting form attached, by noon on Wednesday 5<sup>th</sup> July so these can be included in the voting.

**Heartland Community Wind – Directors' Report**

The period since our last AGM in June 2016 has been eventful, with plenty for your Board to do. We meet monthly by phone, and we always have a full agenda!

The overall picture is that our turbines are performing very well and the prospects for the Society are excellent. We have however continued to encounter some costly issues. Along with the significant delay in getting the turbines fully operational in early 2016 (as covered in last years' AGM report), these mean the Society is not in a position to pay out interest or community fund this year.

**Making Good**

All the key issues we have faced relate to the rush to install to meet the deadline for the Feed-in Tariff. As members will recall, the turbines were installed in blizzard conditions in December 2015, only narrowly ensuring that they were built in time to beat the significant drop in Feed-in Tariff.

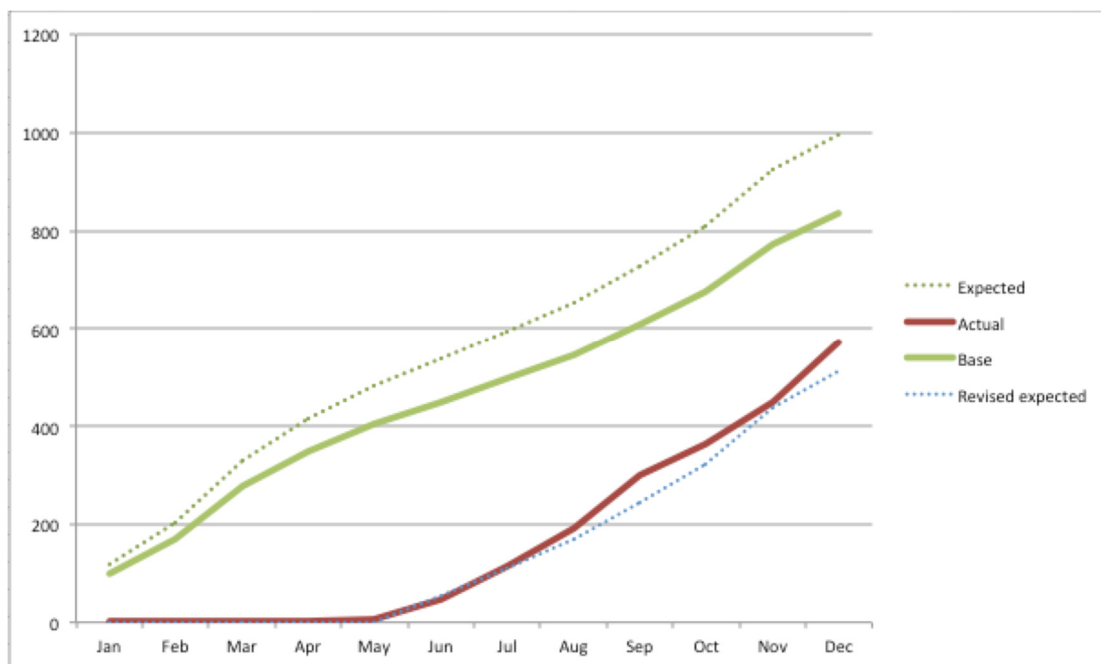
The bad weather during the install period meant that our contractors caused more damage to roads and tracks than we might otherwise have happened. This turned into a significant issue as the year went on, with both the neighbour whose land we crossed and Perth and Kinross Council seeking reparations for the damage caused. Much of the latter part of 2016 was taken up with negotiations, site visits, and obtaining quotes.

The upshot has been that despite every effort being taken to reduce costs, we have incurred costs totalling £55,000 – a 3% overrun on construction costs. Most of this relates to the repair of the U173 Kinross to Amulree road. Members familiar with this route will know that this is a very small mountain road and unfortunately our heavy equipment did cause damage all along the stretch we used.

We are happy to say that both Perth and Kinross Council and the neighbour have now indicated that they are happy with the repairs as carried out and we do not anticipate any further costs in this area. The road repairs caused the co-op some serious cashflow issues in 2016 and were part funded with the aid of loans from directors. These loans appear as liabilities in the annual accounts which are prepared to the end of December 2016 – all have now been paid off.

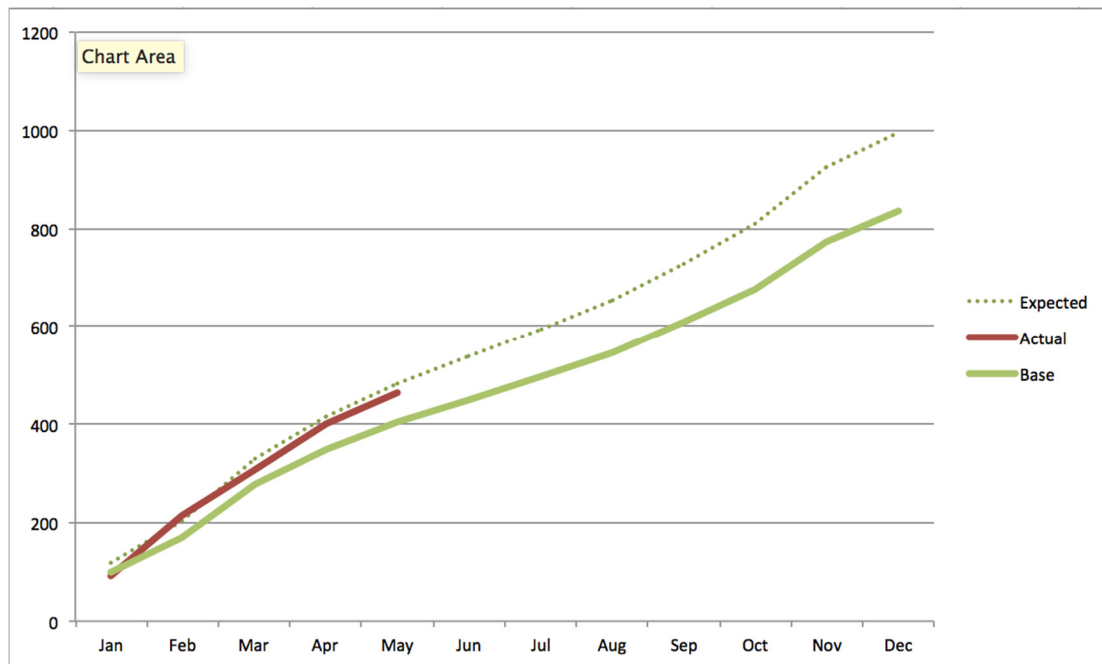
### **Production**

2016 was a low wind year across the UK with other wind co-ops in Scotland recording production figures down 15-20% on expected figures. However we are pleased to say that taking into account the fact that grid capacity was only available from June 2016, our turbines outperformed expectations for 2016.



The dotted green and solid green lines show the output as projected in the share offer document. The blue dotted line shows revised projected output, taking account of the late start of full generation. Our red production line outperformed the expected output by some 10%.

Generation for 2017 has so far shown actual output tracking expected output closely.



## **Operations**

The turbines have worked well throughout the period with no significant downtime. The largest change has been the need to find a new Operations and Maintenance contractor as RM Energy, our installers, went into receivership in late 2016. We are pleased to say that we now contract direct with WTN, the manufacturers of the turbines, who now have a UK base in Perth. We have worked with them to put in place a new servicing timescale to minimise the likelihood that snow causes problems for routine maintenance.

The Board would like to record its gratitude to RM Energy who worked tirelessly to get the turbines up in very difficult conditions. Sadly their fate has been that of many providers of medium-scale wind turbines, in response to UK policy changes which have virtually halted the sector. To give a graphic example, our Feed-in Tariff is 13.55p/kWh. If we were to build the same turbines now we would have to join a queue to get a non-guaranteed FiT at a rate which has not yet been set but which would not exceed 1.8p!

The Board would also like to thank Mark Jennison of RM Energy who retired from our Board in September 2016 and without whom this project would not have come about.

Wholesale electricity prices have fluctuated wildly in the last year but we were fortunate to be able to sign up a new power purchase agreement in November 2016 near the top of the market at 5.53 p/kWh.

## **Community Fund**

We have been in contact with Perth College of the University of the Highlands and Islands to let them know that we have had to postpone community fund payments. They will accordingly be aiming to start the bursaries next year as we are on course to be able to commence community fund payments then.

### **Member interest payments**

The Society is on course to make its first member interest payments in Spring 2018, barring any significant operational issues between now and then. There is no reason why the Society should not be able to meet the projections made in the share offer from that point onwards. We thank members for their patience and above all for their support.

We hope to see you at the AGM.

Yours sincerely,

Jon Halle

on Behalf of the Board

Encs:

AGM Notice

AGM Proxy Voting Form

Financial statements 2016

# HEARTLAND COMMUNITY WIND

## NOTICE OF ANNUAL GENERAL MEETING

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TO BE HELD ON 8 JULY 2017

NOTICE is given that the Annual General Meeting of members will be held at 14.30 on 8 July 2017 in the Shackleton Room, Royal Scottish Geographical Society, Lord John Murray House, 15 – 19 North Port, Perth PH1 5LU, for the following purposes:

### AGENDA

Welcome and introductions

Motions:

1. To agree the minutes from the previous meeting
2. 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 Society for the year
3. To receive and adopt the Report of the Directors and the Annual Accounts for the year ended 31st December 2016
4. To re-elect Jerry Evans as a Director
5. 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 and may seek re-election. Jerry Evans will retire and will seek re-election.

### **Biographical Notes for Retiring Director Standing for Re-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.

# HEARTLAND COMMUNITY WIND

## MINUTES OF ANNUAL GENERAL MEETING

HELD AT THE PAVILION, KENMORE SPORTS CLUB, KENMORE ON 4 JUN 2016

**Members Attending:** Crispin Hayes, Allan Thomson, Jerry Evans, Andrew MacRae, Brenda Davidson, Graeme Begg, Elizabeth Leighton, Jon Halle, Mark Jennison, Stewart Pritchard, Jane Pritchard, Hamish Coutts, James Stewart

Attendance was 13. The quorum is 12 and the meeting was therefore quorate.

**Apologies were received from:** Ann Ashley, Derek Ashley, Eileen Vose, Colin Vose, Bill MacGregor, Dave Linsley-Hood, Kate Linsley-Hood, Dawn Corbett, Donald Corbett, Mike Habermehl, Jackie Staite, Ronald Hummelink, Alex Matheson, Morag Butt, Alistair Henderson, David Crippin, Patricia Crippin, Stuart Smith, Roland Zinzus, Fiona Frank, Gordon MacDonald, Anne MacDonald, Alisa Gibson, Helen Porter, Penny Stott, JD Stott, Anna Buchanan, Deb Crane, Ruth Atkins, Sue Paskins, Herbert Eppel, George Brimlow, Olga Garvin, Caroline McManus, Paul Grech, Ken Robertson, Steven Levers, Robert Palgrave, David Ripley, Martin Charles Hayes-Allen, Timothy Marshall, Andy Maybury, Martin Roger, Ian Caldwell, Richard Wildash, Stephen Pittam, Rob Palgrave, Andreas Heinemeyer, Brian Penny, Mick Patrick, Elmar Reichmann, Jeremy Thorp, Edward Milford, Neil Lancaster, Gordon MacDonald, Anne MacDonald

Motion	Proposer	Seconded	Motion Carried (Y/N)
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	Jerry Evans	Hamish Coutts	Y
2. To receive and adopt the Report of the Directors and the Annual Accounts for the year ended 31 <sup>st</sup> December 2015	Allan Thompson	Stewart Pritchard	Y

### Results of the separate ballot for directors:

Jerry Evans and Elizabeth Leighton were elected to the Board

There was no other business brought forward by members.

By order of the Board,



Jon Halle

Company Secretary, 4 Jun 2016