



Dorset Community Energy Limited

Minutes of Members' General Meeting and the Annual General Meeting

Town Hall Bridport, 7.30 pm Tuesday 11th October 2016

Present

Tim Crabtree (Chair), Pete West (Secretary)

Directors: Chris Hall, Tom Burnett, Emily Bullock, Henry Lovegrove, Derek Moss.

Members: Alexandra Gurini, Howard Bowering, Martin Warden, Raja Jarrah, Sam Wilberforce, Lynda Wells, Janet Page, Vince O'Farrell, Alison Jay, David Philpot, Jenny Barrett.

Apologies

Donna Robson, Dave Rinaldi, Ian Smout, John West, Jenny Shackleford, Mike Tunbridge, Irene Statham, Judy Edwards.

Minutes of Members' General Meeting 7:30 pm- 8:30pm

1) Presentation on Dorset Community progress to date and plans for 2017

- Pete West and Tom Burnett

Pete West mentioned that the Directors' Report, which was circulated with the agenda before the AGM, included a summary of progress to date.

Tom Burnett presented the project financial summary (also pre-circulated with the AGM agenda) and Pete West gave a short presentation including photos of some of the solar panel installations (pdf copy attached).

Pete West mentioned there are no definite plans for new Dorset Community Energy projects in 2017, but due to the reduction of Feed-in Tariffs in January 2016 the current solar PV business model is unlikely to be viable for new installations, except in a limited number of niche situations. There may be opportunities for energy efficiency projects and the directors intend to liaise with other community energy groups to assess future opportunities.

2) Proposal for an updated business model offering a target 5% - 6% annual interest on invested capital, including the proposed interest payment schedule and interim arrangements for 2015-16 - Tim Crabtree and Tom Burnett

Tim Crabtree explained that this agenda item is related to a discussion on the pre-AGM briefing paper on the directors' proposal to adopt an updated business model based on a target 5% - 6% p.a. interest rate on shares held by members. He explained there will be a formal vote on the proposed interest rates for 2015-16 and 2016-17 during the AGM section of the meeting. Under the Dorset Community Energy registered rules annual interest rates have to be approved by members at each AGM and interest is paid shortly afterwards.

Tom Burnett explained that the business model used in both the June and November 2015 Share Offer Documents was a 'profit share' model. Proposed interest rates started low at 3.7% p.a. to 4.3% p.a. for the first 5 years, but were higher in the latter years of the 20-year project timeframe.

However, an independent report from consultants Communities for Renewables advised the directors that the 'profit share' model does not comply with Dorset Community Energy's Registered Rules as a Community Benefit Society. Furthermore, the Financial Conduct Authority (FCA) issued guidance on interest rates for Community Benefit Societies in June 2015, which stated that the interest payable to members had to be sufficient to retain capital to meet the Society's objectives, but any financial surplus must be used for community benefit and not distributed to members by means of significantly increasing the interest rate paid on shares. Societies that use the 'profit share' business model are likely to be struck off the FCA register of Community Benefit Societies.

The directors have modelled target annual interest rates between 5% - 6%, which are judged to be affordable in order to retain a positive cash balance each year, enable repayment of capital in installments between years 4- 20, provide free and low cost solar electricity to the participating schools and community buildings and generate a small additional surplus (particularly in latter years) for distribution as a community benefit fund.

Tom Burnett proposed and Henry Lovegrove seconded a motion that the Dorset Community Energy business model is re-structured from the 'profit share' model to the financial model circulated to members in the pre-AGM briefing, which included a target 5%-6% p.a. interest payable on shares held by members.

The proposal was carried unanimously on a show of hands.

3) Brief overview of proposals for future administration of the Society, roles and responsibilities, including a proposal to promote voluntary and remunerated work opportunities to members of DCE, within the £6,000 p.a. administration budget - Pete West

Pete West explained that through his employment as Renewable Energy Development Officer at Dorset County Council he had been funded 1 day/week through the Big Lottery Communities Living Sustainably project to support the development of Dorset Community Energy. Since 1st April 2016 he has worked as a volunteer, supported by Tom Burnett as a paid consultant contracted to project manage 4 school solar panel installations and advise the directors on business modeling. Pete West mentioned he would like to stand down as treasurer and project coordinator, but would like to remain as secretary and is standing as a director (previously prohibited whilst he was employed by Dorset County Council).

The directors have agreed that in future all Dorset Community Energy positions, paid and voluntary, will be promoted to all members. Major roles remunerated through the £6,000 annual administration budget will be subject to job descriptions and formal recruitment.

4) Progress and ideas for educational activities -Alison Jay

Alison Jay, the Dorset County Council Eco Schools Officer, mentioned that the County Council's schools energy programme would be pleased to work with Dorset Community Energy volunteers interested in sustainable energy education at primary and secondary school level. Two meetings with interested members of Dorset Community Energy have been held to date. Educational initiatives are being developed based on loaning a box of solar PV equipment and models to primary schools- including a list of resources, experiments and curriculum links. Several pilots with loan of energy models to primary schools have received

positive feedback. Work with secondary schools is likely to focus on the web-based energy monitoring, once fully operational. Any DCE members interested in assisting with schools activities should contact Alison at a.m.jay@dorsetcc.gov.uk

5) Progress with the DCE Intranet and a new website -Chris Hall

Chris Hall demonstrated the Dorset Community Energy Intranet, currently in development working with consultants e-media South West. The Intranet will have broad functionality to enable members to collaborate on activities such as education and new project development. There will also be a news and events section and a facility to automatically e mail details of events of interest to members (with an unsubscribe option). Minutes of directors' meetings will be viewable from the Intranet. It will be secure and password protected for use by DCE members only. There will be a separate new website. Both the website and Intranet will be based on the open source WordPress platform and e-media south west will provide 2 days of training in Dorset, to enable DCE to update the Intranet content and website internally. If any members are interested in helping to develop the Intranet and website and to attend the WordPress training please contact Pete West pete@dorsetcommunityenergy.org.uk

AGM 8:30pm

1. Notification of proxy voting - Pete West

Pete West reported that 15 proxy voting forms have been received, 14 of which voted in favour of all AGM agenda items 3-8 below and one which authorised the Chair to cast a vote on behalf of the member as he saw fit in the best interests of the Society.

2. Minutes of previous Annual General Meeting held on 1st December 2015 and matters arising- Tim Crabtree

Pete West mentioned that he received an e mail from Henry Lovegrove to advise that Item 5 on the 2015 AGM agenda had been incorrectly minuted. The turnover threshold above which small businesses cannot choose an audit exemption is £6.5m, not £2.5m. Tim Crabtree requested that the 2015 AGM minutes be amended in line with the update from Henry Lovegrove.

With this correction, the minutes of the Dec 2015 AGM were unanimously approved on a show of hands as a true record

3. Receipt and approval of the Directors' Report and Fiscal Accounts to 31st March 2016 (circulated with the pre-AGM agenda) , including an update of new internal audit procedures introduced in response to points raised in agenda item 5 at last year's AGM - Henry Lovegrove (DCE director appointed as Finance Director)

Henry Lovegrove updated the meeting on the financial management procedures introduced since the 2015 AGM:

- The Treasurer/ Finance Officer (currently Pete West) operates Dorset Community Energy online bank account held with Triodos Bank, pays all bills by bank transfer or by cheque and issues Dorset Community Energy invoices.
- The Treasurer/Finance Officer forwards all original paid invoices and any Dorset Community Energy invoices to the Finance Director (Henry Lovegrove) monthly, together with a Triodos Bank Statement.
- The Finance Director reconciles payments and DCE invoices against the bank statement and monitors any DCE unpaid invoices.
- The Finance Director is responsible for DCE monthly VAT returns
- The Finance director prepares in-house accounts and presents a financial update at

each directors' meeting.

- Following the DCE financial year end on 31st March, the Finance Director finalizes the in-house accounts and forwards for examination by an independent Chartered Accountant, who reports on the independent examination.
- Following approval at a director's meeting the Independent Chartered Accountant submits a Corporation Tax Return and the accounts to HMRC (by 31st March the following year).
- The secretary submits an Annual Return and the accounts to the Financial Conduct Authority within 7 months of the financial year end (i.e. by 31st October).

The financial management procedures, Directors' Report and Accounts for the year ending 31st March 2016 were unanimously approved by the meeting on a show of hands.

- 4. Vote on a recommendation from the directors to pay 5.5% interest for the financial year 2015- 16 to DCE members who invested in the June 2015 share offer, with interest to be paid from the date when the solar PV installations financed by the June 2015 share offer were all commissioned (1st Sept 2015)**

Approved unanimously on a show of hands

- 5. Vote on a recommendation from the directors to pay a proposed 5.5% interest for the financial year 2016- 17 to members who invested in the June 2015 and November 2015 share offers with interest paid from the date the solar PV installations financed by the November 2015 share offer were all commissioned (1st September 2016)**

Approved unanimously on a show of hands

- 6. To re-appoint the following Directors who must stand down by rotation: - Tom Burnett, Emily Bullock, Tim Crabtree**

(Note: At least 1/3 of Directors must stand down by rotation at each AGM, although they are eligible for re-appointment. Selection is firstly by date of appointment in rotation and secondly by alphabetical surname for directors appointed at the same date)

All 3 directors were re-appointed by a unanimous vote of a show of hands

- 7. Appointment of new Directors.**

Pete West has applied to be a director (previously secretary, but not a director under an agreement with Dorset County Council) Proposed by Henry Lovegrove, seconded by Chris Hall.

Pete West was elected as a director on a unanimous show of hands

- 8. Rule 26.2.To vote on an audit exemption or audit of the 2016-17 accounts**

An audit exemption was agreed unanimously following a show of hands

- 9. Any other business**

Chris Hall and Judy Edwards recently announced their intention to stand down as directors due to other commitments. Chris Hall mentioned he will continue to advise on the Intranet as a member volunteer. Tim Crabtree made a vote of thanks to Chris Hall and Judy Edwards on behalf of Dorset Community Energy.

Derek Moss said he would like members to give Pete West a vote of thanks for all the work he has put into the development and success of Dorset Community Energy to date.