



2017 ANNUAL GENERAL MEETING NOTICE and REPORT
Halton Hydro AGM Friday 31st March 2017
7.00pm at "The Centre", LA2 6NB

I am pleased to invite you, on behalf of the Directors of Halton Lune Hydro, to join us at the third Annual General Meeting of the Company. The evening will include a slide show of interesting aspects, followed by the more formal proceedings, and report from the Halton Lune Trust, with refreshments afterwards.

The Chairman's report with general news and information regarding the voting topics is attached. The voting slips below may be used should you not be able to attend and wish to vote on the proposals.

Yours sincerely,

Brian Jefferson – Company Secretary



AGM Resolutions

If not attending the AGM please return the postal voting slip, to arrive at the Head Office, or by email scan/photo, to secretary@haltonlunehydro.org, on or before 24th March 2017.

- 1. Approval of the of the March 2016 AGM Minutes. In Favour Against
- 2. Approval of the 2016 calendar year financial statements. In Favour Against
- 3. Re-appointment of accountant examiners RFM. In Favour Against
- 4. Re-appointment of the Secretary, being one of four directors standing down every year.
This will provide the full Board for a further year, consisting of:
 - Director and Chairman, John Blowes, with a focus on hydro operation and finances.
 - Director Allan Denham, with a focus on plant maintenance.
 - Director and Secretary, Brian Jefferson, with a focus on Shareholder records and finance.
 - Director Kevin Frea, with a focus on specialist areas of investments and renewable incentives,In Favour Against

SHAREHOLDER NAME Signature.....

Halton Lune Hydro - Chairman's Report

My report is on behalf of the Management team, which includes the four directors and Jon Sear, who has a focus on environmental fishery matters, as well as being my deputy for hydro operation.

We are pleased to report that the year has ended with a reasonably healthy financial position despite difficulties caused by the December 2015 flooding. The building and equipment was resilient, as was demonstrated by it being back in operation by 4th February 2016. With a higher upstream wall and flood barriers now in the main access doorway, installed under Lancaster City Council funding; a similar river level would have far less effect. General tidying after re-commissioning did however take most of the summer and all in close liaison with insurers who paid 93% of the £149,215 cost, to include a negotiated sum to conclude some repairs to currently under water areas mid 2017.

Other activities though the 2016 year, included a second year requirement by the EA for Fyke Net checks, which has required 2 x 5 rather frustrating summer weeks running at low power, with three of the turbine outlets blanked off and a net over the fourth to prove that we are not damaging fish. This confirmed that the 10mm spaced fish inlet screens, set at 20 degrees, or less, to the fish passage route have performed very well and we anticipate that further fyke net demonstrations will not be required. This low power running did however lose some revenue and we have concluded that the 10mm screens carry significant responsibility for restricting water flow, resulting in a normal hydro output of 130kW, compared to the 160kW predicted and having an impact on revenue. We are however collecting a significant amount of data regarding optimum performance adjustments in 2017 and with further compensation, given the turbines and associated equipment have been very reliable, hence available for more revenue earning hours per year than originally predicted.

2016 was also a year when we collected sufficient data to "validate" the fish counter with underwater cameras and the full report is currently near completion. It is especially interesting to see how well the fish pass has been used by Salmon and Sea Trout; and we shall continue the May to October fish trapping, which is an EA Licence requirement to trap 5% and undertake health checks. Local volunteers have been deeply involved, along with general hydro operation and maintenance and I would like to record appreciation on behalf of the Board for this invaluable input - and invite interest from other shareholders who may wish to be involved.

It is worth mention here that the Board is introducing new members with a good age distribution, to operate & maintain and support the fishery team, with a view to good continuity going forward. All have the opportunity to be the volunteer " Duty Officer" for the day, whereby there is a learning curve and always somebody checking the site and making routine records, alongside the one-minute auto recording of data and constant CCTV coverage.

Returning to the financial side, I am pleased to report that we have paid off all construction overspend loans and set aside £70,000 to start the process of paying back investors, although the majority will no doubt wait until the three year period is up to ensure no tax re-payment loss under the three year SEIS or EIS schemes.

Given all of the foregoing and in compliance with the objectives of the Society, £5,000 will go to the local community for worthy causes, via Halton Lune Trust and 4% interest will be paid during the next few weeks for the 2016 financial year. These amounts are to align with sums shown available in the examined accounts by RFM, who have been very helpful given the enormous amount of insurance related purchases going through the books.

These accounts will be available on the web site a week before the AGM and on the night.



John Blowes CEng – Chairman

Email addresses of the Management Group for reference, should you have any specific queries:

John.blowes@haltonlunehydro.org

Kevin.frea@haltonlunehydro.org

Allan.denham@haltonlunehydro.org

Secretary@haltonlunehydro.org (Brian Jefferson)

John.sear@haltonlunehydro.org

Halton Lune Hydro Limited Company Number: 32233R VAT Reg: 175739565

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Directors: John Blowes, Allan Denham, Brian Jefferson and Kevin Frea