**HALTON LUNE HYDRO**

**MINUTES OF THE 2016 ANNUAL GENERAL MEETING**

**Held in the Centre @ Halton**

**Friday 18th March 2016 at 7.30pm**

**Present:** Directors John Blowes, Allan Denham, Kevin Frea, Brian Jefferson and 46 other shareholders.

**Apologies:** presented 41 shareholders

The Chairman, John Blowes, welcomed shareholders to the Second Annual General meeting for Halton Lune Hydro Ltd (HLH) and gave a Power-point presentation of key Agenda matters, including memorable photographs from construction to commissioning of the second turbine and the disastrous floods of 5th/6th December.

1. **Chairman’s AGM Report** – on behalf of the Directors, who were available to answer questions. Key points of the report were published in advance of the meeting, and in summary; the first turbine performed well from January 15 to the beginning of June, and in July the area was drained down to install the second turbine. Funding for this came from a second share issue introduced rapidly as it was discovered that the 30% EIS investment tax refund was to cease 5th April.

Whilst low river levels in July were ideal for this installation, the second turbine was little used after commissioning in August, as we had entered a near zero rain period that lasted until 21st October. Just one turbine was however available to run for the Grand Opening on 18th September attracting 95 guests.

Rainfall recovered, rather excessively, and on 5th December about 1,700tonnes of river flow a second flooded the building rising 0.4m above the inner door sill, that was built 1m above the highest EA recorded level. It also brought in around 1,000 tonne of stone washed from banking upstream to outer areas.
This flooding moved the hydro team into a re-construction phase, with some large plant again on site. With very capable equipment and driver all but a layer of stone at lower levels was transferred from the waterside to the "water excavated" land. Lancaster Cohousing volunteers were again thanked for pumping out the building and removal of a considerable amount of mud. Both generators went away for oven drying, new bearings and testing and were re-commissioned by the supplier Hydrohrom on 4th February. The building and surrounding structures stood up to the high river flows very well, although "bolt-on" fish pass equipment and walkways were mostly destroyed and are currently being re-installed. The remaining stone is to be removed in a July drain down when river levels and revenue are normally low.

Financially; a number of points influence returns to investors for the year to 31st December 2015:

1. Construction ran 3.8% over budget, and this £68k will be recovered from revenue, which is currently covered by short term personal loans of £48k and a revenue reserve. After debt repayment, this area of revenue will be set to one side over years 18 to 20, to refund investors £1.43M.

b. An estimated £13k will also not be refunded by insurance under material replacement and revenue headings, adding to the amount to recover from revenue.

c. Rent, rates, clearing construction snags and fees associated with fishery responsibilities amounted to just under £40k to 31st December 2015.

This all sounds rather daunting, but given the limited revenue, mostly from a single turbine of £127k this first year, which included four months of near drought, these loans provided the desired breathing space. Retaining the small reserve remaining is considered essential to cover the company cash-flow and any further unforeseen expenditure. Given the foregoing circumstances, the directors sought approval to not pay interest on share ownership for this one year, bearing in mind that most investors will have received 50% or 30% of their sum invested back under the EIS and given prospects going forward with two turbines suggests more than £200k annual revenue. Kevin Frea stated that profitability should actually improve year on year, as less interest is due as capital is paid back and the electricity generation tariffs are increased each year with annual UK inflation. He also stated that the 5% interest is a target amount that could move up or down depending on circumstances.

It was however noted that there has been some very welcome voluntary assistance with general jobs on site and by Duty Officers - in that one person is responsible each day for keeping an eye on the Hydro and calling on others, should it be necessary. With more volunteers less will be paid in contractor fees, and so more will go to the Community.

A straw poll was taken of favoured volunteer days. 50:50 for weekends and otherwise Monday or Friday preferred. The Secretary asked those interested in helping out to contact him.

Key points of the Accounts, which had been circulated by email in advance of the meeting, were highlighted and formal voting on Agenda items was administered by the Secretary.

**2. Approval of the March 2015 AGM Minutes**
Acceptance of last years Minutes was proposed by Cherith Adams, seconded by Debbie Storr and unanimously approved.

**3. Appointment of the Accounts Examiner**

It was noted that small companies may use an examiner of accounts, as approved last year and owing to retirement of the lead accountant at Knox Accounting of Barrow, HLH request approval of their having appointed RfM Chartered Accountants of Pilling, near Preston, to examine the 2014/15 company accounts and approval to Examine to 2016 Accounts.

Proposer: Ian   Huckle        Seconder:  Maureen Richardson Carried unanimously

**4. 1st October 2014 to 31st December 2015 Year Accounts**
The presentation of these Examined Accounts now conform to the Calendar year aligning with a break in many of the licensed environmental activities and providing time for Examination, permitting the associated share interest payment to be discussed at the March AGM.  These accounts, having been approved by the Board, were offered for adoption by the shareholders.
Proposer:   Paul Hopewell            Seconder:  Peter Dew Carried unanimously

**5. Approval of suspension of Interest payment to shareholders for the financial year 2015**

Following the Chairman’s statement of the operating situation through year one to to 31st December 2015, approval of the directors’ decision to suspend interest payments to shareholders for the financial year 2015 was requested.

Proposer:   Ralph Martyn Seconder:  Joan Jowitt Carried unanimously

**6. Re-appointment of Board of Directors** – It was stated that one director is required to stand down each year in accordance with Company Rules. Kevin Frea had been selected by ballot and offered himself for re-election to the Board.
Proposer:   Peter Dew Seconder:  Jon Sear Carried unanimously

**7.** **Halton Lune Trust**

The Chairman mentioned the Memorandum of Understanding between the HLT and HLH, registered with the Charity Commission. He also mentioned sums having been allocated to the Trust, either direct from the Hydro, or as voluntary contributions that attract Gift Aid to thus be increased by 25%.

Peter Lambson, a Trustee of Halton Lune Trust, then gave a short briefing on the workings of the Trust, outside of AGM formalities and requested applications for grant funding of worthy causes within the Parish of Halton with Aughton – and noting that over £10,000 was available.

Minutes Prepared by:

Brian Jefferson MBE

Company Secretary

Halton Lune Hydro