**HALTON LUNE HYDRO**

**MINUTES OF THE 2015 ANNUAL GENERAL MEETING**

**Held in the Centre @ Halton**

**Thursday 19th March 2015 at 7.30pm**

**Present:** Directors John Blowes, Brian Jefferson and Kevin Frea and 61 other shareholders

**Apologies:** presented from Director Alan Denham and 54 shareholders

The Chairman, John Blowes, welcomed shareholders to this first Annual General meeting for Halton Lune Hydro Ltd (HLH) and gave a short pictorial presentation of memorable photographs through construction and commissioning of the first turbine.

1. **Appointment of Examiner for the Account**s – The Secretary confirmed the quoracy of the meeting and explained that following the preparation of the Accounts for the AGM, advice had been received that approval of the appointment of the examiners should precede the normal AGM process. To that end the “Power to dis-apply Section 83” rules were read and explained to the meeting. These allow small companies to use an examiner of accounts in place of a full audit process, which has the benefit of being much less costly to a small organisation such as HLH. Directors had elected to use Knox Accounting of Barrow to examine the 2013/14 company accounts and after discussion the meeting unanimously approved the examination process undertaken.
2. **Chairman’s AGM Report** – John gave a full explanation of the background to the project with his involvement in obtaining and managing the HCA £303K grant alongside Lancaster Cohousing. This grant having been 13.6% higher before a government review and then Lancaster City Council providing a £14,200 contribution to assist the shortfall. The benefit to the project was a very welcome £273,524 ex VAT used for environmental protection. This foundation kick started the project whilst share capital was brought in from investors and in the subject financial year to 30th September 2014 we had received £1,041,830 - much of which was used through the heavy civil construction phase.

John thanked the Hydro team dealing with design, construction, fund raising, publicity and community aspects. It was also stated that all of our contractors have been paid in a timely manner and that HLH has consequently built up good credit ratings – although a concluding amount to the civil contractor is currently being disputed.

A graph showing electricity generation to date above the average “desired” line was shown, but the graph will level of as we shutdown during the summer to drain down the water for installation of the second turbine. We are restricted from bringing the second turbine on line until a year and a day after the first (19th December 2015), owing to the FIT regulations that do not permit the higher feed in tariff for a power station greater than 100kW output until after one year. Owners are allowed to operate the second 100kWe turbine at a lower FITs rate, but the first keeps it’s higher tariff for 20 years. Furthermore, had we not generated in December 2014, then around £175,000 over 20 years would have been lost as the FITs tariffs derogate each year.

The generation commencement was the reason for the incomplete concrete building without stone cladding or the slates on the roof: finishing is now progressing at a steady pace using local contractors and supported by volunteers doing tidying and painting. Local fishermen are also volunteering to assist with checking fish welfare through trapping during the summer as one of the many conditions within the Environment Agency Licence.

Volunteers were reminded of the ‘9am First Saturday’ in the month and to RSVP their intention to attend to ensure a controlled work programme. Additional days will be possible as we progress.

John explained that £5,000 had been donated to the Halton Lune Trust, to enable it to become a “Charitable Trust” and Trustee Peter Lambson explained that they were in the process of setting up procedures for grant applications to assist worthy causes in and around the Parish of Halton with Aughton. The HLT is the “locked in” charity where profits from the hydro will be donated. A further £2,375 had also been donated to HCA to cover finance and other costs.

In order to manage the power station those having significant responsibility for generation will be given a modest salary based on a percentage of electricity revenue. These will be paid only following receipt of Ofgem authorised FITs payments. The same “paid when paid” process will apply to the shareholder 5% interest payments in 2016 – although by then it is hoped that such payments will come through with little delay.

1. **Share Report** – Kevin Frea provided an introduction to the ‘Bencom’ process and the approach HLH had taken to funding the project, moving from a partial share funding with Bank support proposal in the early days to a wholly share funded scheme as the success of the marketing gained ground. The entire project has now been funded by members having raised over £1.4m at the early close of the share offer. Sufficient funds are now in hand to install the second turbine and cash flow the project through to the main income streams becoming effective. Shareholders will need to retain their investments for three years to retain the EIS tax relief. Those wishing to cash in their shares after year three would have to wait until sufficient funds were available from money the HLH puts to one side. Thereafter a steady outflow of investors cashing in the shares would help HLH provide greater amounts to the community.
2. **30th September 2014 year end Accounts –** The Chairman presented the Financial Statements indicating administrative costs of £71,006, with called up share capital of £1,041,835. Total assets were valued at £971,085. The full accounts are to be available on the Company website and are available in hard copy on request to the Secretary.
These accounts, having been approved by the Board, were adopted by the members.

Proposer John Blowes, Seconder Brian Jefferson

 **Appointment of Examiner to Accounts –** The appointment of Knox Accounting as Examiners of Accounts for the 2015/16 year was discussed and unanimously approved.

Proposer: Peter Lambson Seconder: Alison Page Abstention: three

1. **Re-appointment of Board of Directors** – the Directors offered their resignation in accordance with the Rules and expressed their willingness to be re-elected to the Board.

 Chairman – John Blowes

 Construction – Alan Denham

 Shares – Kevin Frea

 Secretary – Brian Jefferson

A proposal to re-elect en-bloc was unanimously approved.

Proposer: Bridgit Coady Weekes Seconder: Geoff Coates Abstention: nil

1. Resolution 1 – Quoracy – Directors are concerned that following an initial enthusiasm, members may not see the routine AGM process as sufficiently attractive to travel. Member numbers are 382 requiring 39 members on the current 10% rule and it is proposed to reduce this to 5% requiring 20 members. Following discussion the motion was approved.

Proposer: Alison Page Seconder: Geoff Price. Abstentions: two
Postal votes 55 for 2 against
2. Resolution 2 - email AGM notices – The cost of letter production and postage and the time taken in preparation were cited as reasons to streamline the process for the majority of members. It was implicit that those who do not use email would continue to receive paper mail communications. The motion was discussed and unanimously approved.

Proposer: Sue O’Brien Seconder: Raymond Curwen

Postal votes 55 for 3 against

Minutes Prepared by:

Brian Jefferson MBE

Company Secretary

Halton Lune Hydro