

Annual General Meeting 2022



Thursday 24th February 2022
6:30pm Memorial Hall, Charlbury



Annual General Meeting 2022 Agenda



- § Welcome and introduction,
- § Declarations of Interest
- § Reports from Directors
- § Questions and Answers to Directors
- § Formal business of AGM
 1. To agree the minutes from the 2021 AGM
 2. To receive and adopt the Report of the Directors, the Annual Accounts and the Auditor's report for the year ended 30th September 2021
 3. To approve a payment of share interest to Members at a rate of 5% of retained capital for the year ended 30th September 2021
 4. To re-elect Chris Barras as a Director of the Society
 5. To re-elect Liz Reason as a Director of the Society
 6. To re-appoint Third Sector Accountancy as Auditors for this year
 7. Any other business
- § Informal discussion

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- § Reports from directors:
 - Tom Johnstone: Group results
 - Richard Slark: Production and revenue
 - Tim Crisp: Sustainable Charlbury: Community Fund grants
 - Anne Millar: Biodiversity
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Key impact on this years accounts is the exit of the Close loan



§ Close Loan

- Needed to be repaid in 2023
- Relatively high interest rate at 5%
- Had a cash reserve of c£160k which therefore wasn't useable
- Relatively complicated documentation

§ WODC Loan

- Agreement is a steady repayment of the loan through to 2035
 - Unlikely to need to refinance again over the life of the project
- Interest rate of 3.85% with saving on interest c£30 – 40K per year
- Frees up cash reserve of £160k
- Much lighter touch documentation so easier to manage

§ Downside is the need to write off cost of the original loan that was being amortised over the life of that loan which will result in a write off of £78k in 2021 accounts and the other exit costs c£30k

Other points to note



- § Bond interest paid in full during the year as expected
- § Recommending paying 5% to shareholders despite reporting a loss in the year
 - Board is comfortable that the business is still generating good cash returns and will return to profit next year

Southill Community Energy results to September 2021



- § Headline result for the SCE is a loss of £(40)k in the year compared to a surplus of £82k last year
- Sales revenue down due to lower electricity price as expected
 - Operating surplus before financing costs of £209k in the year compared to a surplus of £317 last year but includes c£30k of one off exit costs
 - Residual set up cost of Close loan expensed in full £(78)k
 - Includes S106 obligations of £30k donation (min) due to loss

£'000's	Current Year	Prior Year
Profit and Loss		
Income	516	595
Administration expenses	(143)	(114)
Depreciation	(164)	(164)
Total Expenses	(307)	(278)
Operating Surplus before Financing Costs	209	317
Finance Costs	(141)	(190)
Operating Surplus after Financing Costs	68	127
One Off Close Cost	(78)	
Donations	(30)	(45)
Total (Loss)/Surplus	(40)	82

- Generation still strong but down due to adverse rates
- Includes some one off costs for setting up WODC loan c£30k with underlying costs under control
- Interest significantly lower due to exit of Close loan
- Close Loan costs expensed in the year
- Reduced S106 liability provided

Southill Community Energy results to September 2021



- § Another year of strong cash generation
 - Generated £147k in the year despite lower operating profit
- § Expensive borrowing paid off
- § Overall borrowings reduced by £274k
 - Supported by release of £160k+ reserve held by Close.

£'000's	
Cashflow	
Operating Surplus	209
Financing Costs	(141)
One off Close Cost	(78)
Donations	(30)
Members share interest	(54)
Add back:-	
Depreciation	163
One Close Costs	78
Operating Cash Generated	147
Movement in working Capital	(115)
Cash Generated	32
Use of funds	
Cash	247
Bank Loans Repaid	(1,953)
Other Loans	1,679
Shares Repaid	(5)
Funds used in the year	(32)

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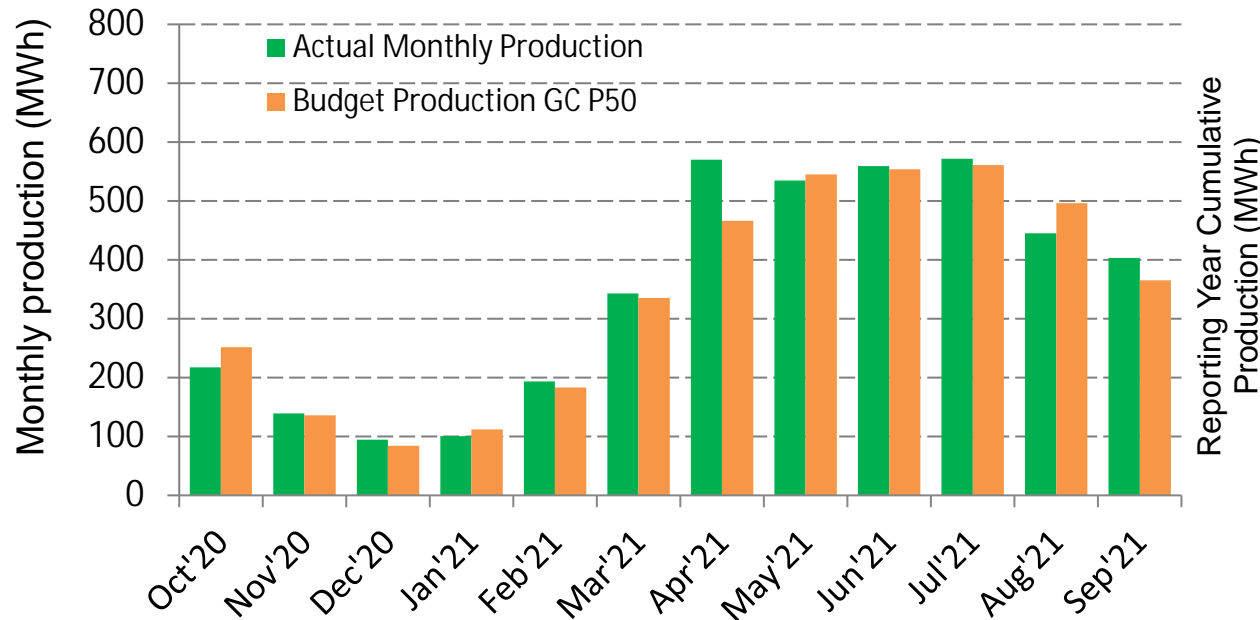
§ Informal discussion

Solar production volumes 2020/21

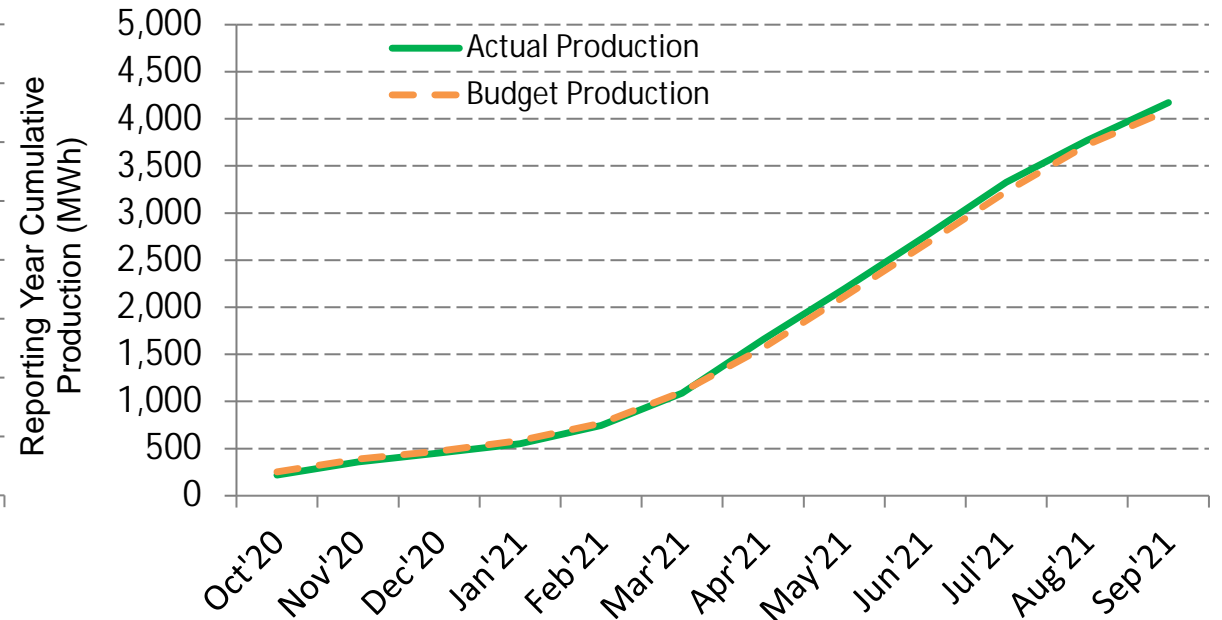


- § Metered generation was 4,174MWh from 1st October 2020 to 30th September 2021
- Production 3% above our P50 budget (degraded), with no significant availability issues recorded
 - Production down 10% on the previous year, due to weather: particularly disappointing in August but mediocre throughout spring/summer compared to previous years

Monthly production against budget



Cumulative production against budget

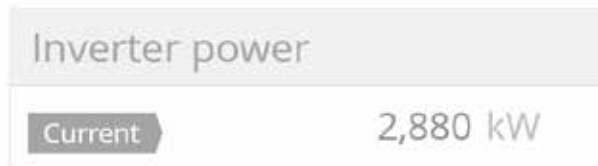
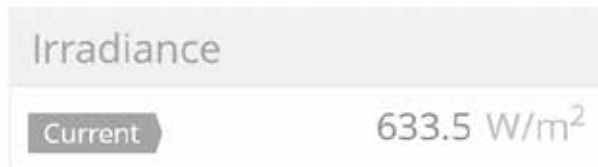
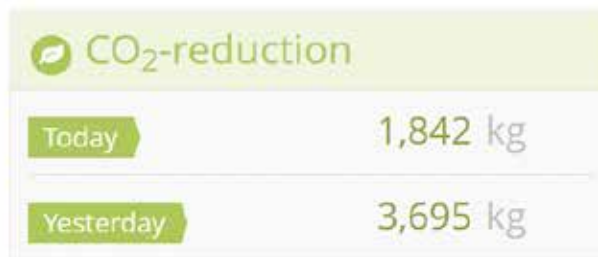


Track SCE's production yourselves



SCE's live generation data, and lifetime yield is available here:

<https://southhillcommunityenergy.coop/live-data>



South Hill
11:35
Thu. 24. February 2022
18.6 °C | 1.5 m/s

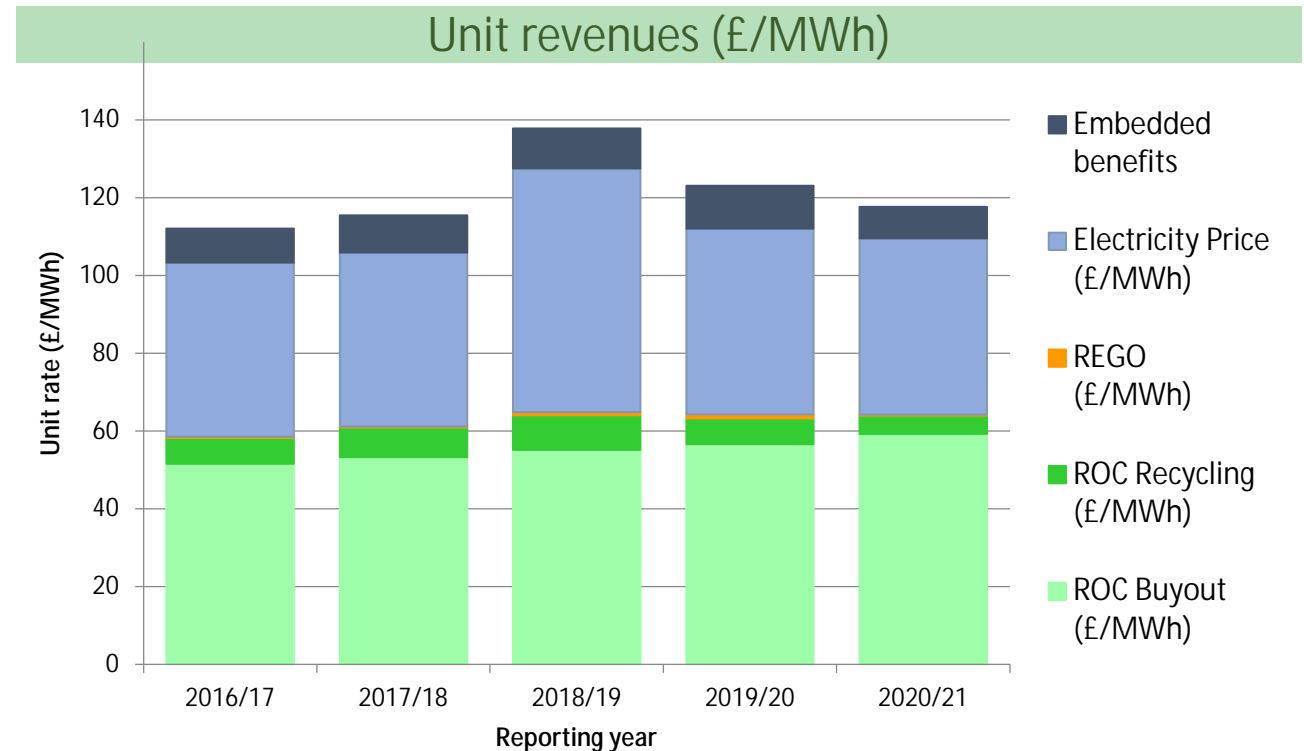
Irradiance	Current	633.50 W/m ²
Inverter power	Current	2,880.44 kW
since 11/2016: Yield	Total	22,551.32 MWh
CO ₂ -reduction	Total	12,718.94 t

Screenshot at 11:35 24th February 2022



Revenue for 2020/21 was down on previous years

- § Southill receives income from five sources (see chart), of these:
 - Renewable Obligation Certificate (ROC) Buy-out income is very stable and index-linked
 - electricity sales prices determined in the market and are very volatile
- § In 2020 we locked-in electricity prices for 2020/21 & 2021/22, below the prices achieved in previous years
- § ROC buyout prices rose by 1.5% RPI
- § ROC recycle values were reduced
 - lower lock-down power demand
 - increased supplier defaults
- § Regulatory changes to embedded benefits reduces revenues from these sources
- § Production volumes were in line with budgets but down on previous years

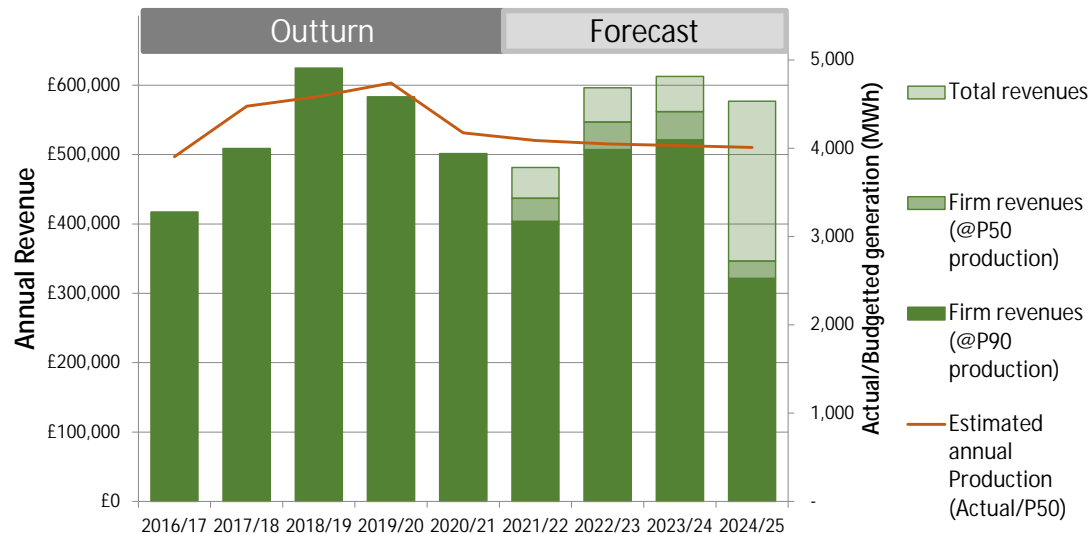
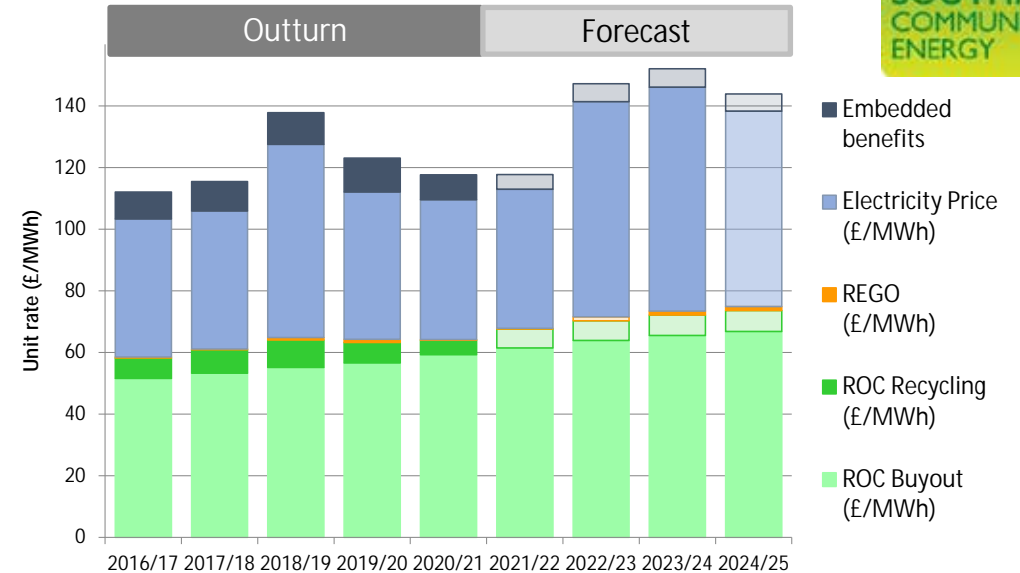


Revenue outlook: flat for current year but expected to pick up for 2022/23 and beyond



§ For the current 2021/22 year we expect:

- Unit revenues to be similar to last year, due to locked-in power price.
- Further erosion of embedded benefits and high supplier default risk on ROC recycle
- Start benefitting from higher RPI on ROC prices
- Production for first 5 months is on budget
- Costs lower than previous years



§ For future years we expect income to rise by £100k+:

- We have secured a higher electricity price from November 2022 to end March 2025
- ROC prices expected to rise with RPI inflation by 4.0% from April and similar, or higher, the following year
- We have locked-in 90% of unit revenues for next 3 years
- Production is now the most significant risk for this period, degradation to reduce year-on-year volumes slightly

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- § South Hill Community Energy, through its operational company South Hill Solar Ltd, has been making payments under its articles and s106 obligations since 2017. They are as follows:
- £69,848 to Thomas Gifford Trust Trust towards the new Community Centre, with a balance up to £100,000 should it be required for further low carbon energy saving works to the building
 - £45,000 to the Cotswold National Landscape (formerly Cotswold Conservation Board)
 - £60,000 to Sustainable Charlbury for redistribution towards low carbon projects through the Community Benefit Fund Programme
 - Contributions to Cotswold National Landscape and Sustainable Charlbury will continue on an annual basis, and within the direction of the s106, subject to available operational surpluses. Payments in respect of 2020/21 are:
 - £10,000 to Cotswold National Landscape
 - £20,000 to Sustainable Charlbury



Community Benefit Fund Programme

- Sustainable Charlbury was registered as a Charitable Incorporated Organisation in 2018
- The objectives of SusCha are to inspire, encourage and empower groups and individuals within the community to reduce their carbon emissions and to promote the improvement of environmental protection
- s106 Agreement was updated in 2019 to reflect that Sustainable Charlbury will be the designated body to receive and distribute surplus funds generated by SCE
- SCE transferred £30,000 to SusCha in March 2020 and the programme for distribution of grants began in April 2020

sustainable Charlbury

going low carbon locally

Sustainable Charlbury received 6 grant applications in its first year and approved the first payments from the community fund. They were as follows:

- £5,000 to Westmill Sustainable Energy Trust (WeSET), towards their new educational centre, with a further £5,000 promised for 2021/2 should it be required
- £5,000 to The Kitchen Garden People, towards the purchase of two new poly-tunnels
- £2,600 to the Nature stream of the town council's Environment Working Group towards the creation of carbon maps for a range of land use types
- Work began with Charlbury Bowls Club to explore how to make their existing building and new extension zero carbon

sustainable
Charlbury
going low carbon locally

Sustainable Charlbury received a further 6 grant applications in the last year and approved the following:

- £3,450 to Charlbury Primary School to fund the Learning for Sustainability programme
- £1,458 to The Kitchen Garden People, towards the purchase of deer fencing for agroforestry strips
- Work is continuing with Charlbury Bowls Club to make their existing building and new extension low carbon
- Work has begun with Charlbury Pre-school to explore how to make their existing building zero carbon

sustainable
Charlbury
going low carbon locally

We are actively seeking grant applications.

We are interested in strategic partnerships and to support projects related to local green projects and initiatives, for example clean energy, building efficiency, environmental education, biodiversity and protection of the environment.

For more information please see our website :
<https://www.sustainablecharlbury.org/grants/> or
email grants@sustainablecharlbury.org

If you have any queries or would like to explore any ideas or opportunities please get in touch, we'd love to hear from you.



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A person with long blonde hair, wearing a dark jacket and blue jeans, stands with their back to the camera in a vast, open field of dry, brown grass. The field stretches to a flat horizon under a clear, bright blue sky. The lighting suggests a sunny day, with a soft shadow cast on the ground to the right of the person. The overall mood is peaceful and contemplative.

A volunteering
year....

Following the seasons at Southill



Season started by
collecting thistle
seed heads to stop
them spreading...

Though the sounds
of protesting
goldfinches in the
hedgerow almost
stopped us...



Bags and bags of thistles creating new compost on our old heaps...





Guarding the trees from marauding deer and rabbits...



Note the team
technique
improvements as the
weeks went by....

Public enemy
no. 1

Hemlock





Turns out that
not everyone
hates
Hemlock





Crowds of Roman Snails were later observed out partying: not necessarily linked to consumption of hemlock!

Work finally
began on our
pond
excavation in
April 2022







Have we done
enough...gone
deep enough?



Re-installing
the solar pump
extraction after
seasonal floods



One man went to
mow.....





Pyramidal
Orchids
started to
appear....

A photograph of a field of wildflowers. In the foreground, several purple bee orchids (Ophrys sphegodes) are in bloom, their petals a light purple color with dark spots. Interspersed among them are bright yellow dandelions. The background is a dense field of green grasses and other wildflowers, some with small yellow blossoms. A large white diamond shape is superimposed over the center of the image, containing the text "And our first bee orchids!".

And our first bee
orchids!







Network rail had finally come to install new fencing along the whole length of the solar farm, cutting back a lot of the hedges in the process







Our old friend
ragwort was alive
and spreading in
the North Field, a
job for the Green
Gym.....




And then we were pulling out some truly gigantic ragwort and docks in our orchard and wild bird feed area!





Ground nesting wasps
creating beautiful
structures...

A wide-angle photograph of a large agricultural field, likely a cornfield, that has been harvested. The rows of crops are now just stubble, creating a rhythmic pattern of light and dark brown stripes across the landscape. The field stretches towards a line of trees in the distance under a heavy, overcast sky with dark, grey clouds. A large, semi-transparent white circle is overlaid on the left side of the image, containing text.

Farewell flowers for
another season..

...But a great opportunity
in future for harvesting
our own seeds to supply
to others



The next big volunteer project: cutting back the weeds
| UNDER the panels....



& Digging out the
hemlock and thistles
again before re-seeding

and surveying
the reptiles &
invertebrates
through the
year...





Thanks again to everyone who volunteered so freely and enthusiastically

And apologies to all of those whose visages did not make it onto this quick canter through: taking photos was always secondary to cracking the whip.....



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Formal business of the AGM



- § We require a **proposer**, **seconder** and **vote** on each of the following motions:
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