

Draft Minutes of the Annual General Meeting of Lochbroom Community Renewables (LCR) held on Saturday 24th October 2020 via Zoom teleconference.

(Note: The AGM year refers to the period 31st May 2019 to 31st May 2020).

Attendees: 34 shareholder members

The following LCR Directors and additional volunteer Board members were in attendance: Rob Gibson (Acting Chair), Tim Gauntlett (past Chair), Seori Burnett (for Lochbroom Community Council), Paul Copestake (Hydrologist, Environmental Clerk of Works), Andy Kaye (Treasurer), Kathleen Donald, Sarah Donald (di Rollo), David Maxwell (Company Secretary), Sandy Osborne, Edel Walsh (Minutes)

Apologies: More than 4 members sent their apologies and the Chair declared the meeting quorate.

Approval of the Minutes of the AGM held on 5th October 2019 were approved.

Proposed: Sarah di Rollo

Seconded: Kathleen Donald

1. Welcome, Chair's Report and Update

Rob Gibson welcomed all to the meeting, acknowledging the necessity to hold it virtually and thanking Amanda Barry-Hirst for her technical support as host. He acknowledged Tim Gauntlett's enormous contribution who, following five years as Chair of LCR, stepped down from the role three months' ago. Rob also welcomed Seoras (Seori) Burnett who has joined the Board as a representative of Lochbroom Community Council. Rob then asked Tim to deliver his overview.

For a full transcript of the Chair's report, please see Appendix 1.

In summary, Tim remarked that he, as Chair, had witnessed the signature of the lease in April 2016 and as at April 2020, the group was still without a signed lease. This failure to understand the role and operation of voluntary groups is proving immensely problematic to small volunteer groups and is hindering progress at every level. At this stage, LCR is liable for £9k legal fees following the ongoing efforts to resolve matters with Forestry and Land Scotland (FLS).

Outlining his concern for the membership to give support to the volunteer group, he commented that local groups are best placed to distribute resources. Additionally, groups such as LCR need real and practical support from agencies such as FLS, Highland Council and Scottish Government.

In conclusion, Tim expressed his belief in the importance of local groups working together in a more coherent manner in order to maximise the best efforts and contributions of all parties.

2. Generation Report

Paul Copestake reported on the flow and generation data from the BroomPower hydro project. All relevant information and his Generation Analysis report can be viewed on the BroomPower website.

In summary:

Paul is able to use the local rainfall records which date back 31 years and provide excellent context for analysing performance.

- **Rainfall:** It's been a very good year. Overall, rainfall spread has been pretty continuous. Looking at monthly performance, August and February were wettest and November was the driest on record. April and May were also dry.

The year ranked 7th wettest of the 31 years on record.

- **Load Factor:** Commenting on the load factor* Paul noted that earlier in the year, it was a very strong 65% and overall, is close to 50%.

*Load factor is % maximum flow; performance in excess of 50% is regarded as positive

- **Overall Performance:** The project has delivered 40,000 kWh this year; just below that which was projected in the business plan.

3. Treasurer's Report

The 2020 end of year accounts and a full transcript of the Treasurer's report can be found in Appendix 2.

Andy Kaye summarised the draft accounts. A full financial report is posted on the website. The annual accounts for 2020 represent a half-way point in the initial five years of production, marking the first five years of the project. Total funds in the bank are £140k.

Andy, together with the board, recommends payment of 3% interest to shareholders this year with payments to be made before Christmas.

UCT has £8247 to distribute to the community for the present year.

Andy outlined his concerns relating to repayment of members' capital investment. This is subject to a commitment to repay the share capital to members over the qualifying period (20 years) at about £50k per annum. Andy will address this gap at a later point in the meeting (See 5. Repayment of Members' Capital).

In terms of increasing revenue and managing costs, the group is currently exploring how to increase turbine output. Additionally, the costs associated with the terms of the lease are a strain and the Board is actively pursuing the purchase of the land around the hydro scheme.

4. Election of Board Members

Rob Gibson outlined the current board membership. At present, there are five directors, three of whom are from local postcode areas. Two (Tim Gauntlett and Dave Maxwell) are due to stand down by rotation with one, Dave Maxwell, standing for re-election. Rob Gibson and Kathleen Donald will remain. There is the option to have nine directors in total, five from the local community, two from further afield and two from UCT.

Rob proposed Dave Maxwell for Director of the Board; Dave accepted the invitation.

Rob formally welcomed Seori Burnett as a Director representing Lochbroom Community Council.

There were no respondents to Rob's invitation to join the Board and he will therefore seek up to two more Directors from UCT following the meeting.

5. Repayment of Members' Capital

Andy Kaye outlined the situation regarding repayment of Members' capital. Referred to as Share Capital, LCR has a commitment to buy shares back at parity from the FiT payments which expire after 20 years. £909,040 worth of shares were originally purchased by Members, dropping to £895,840 by 31 May 2020 following repayment of £13,200. The Board plans to repay a further £30k this year and Andy proposes communicating this to Members in this regard in January 2021.

Andy outlined the issue of resolving how to repay shares at a rate of £50k per annum while simultaneously maximising payments to the Community Benefit Fund and repaying the entire shareholding over the period.

Shareholdings per member range from many at £300 to several at £50k. LCR is not in a position to repay more than a single £50k investment should the request be made.

Aside from the solutions outlined in the Treasurer's Report (3), the Board wishes the Members to consider the possibility of relinquishing their shares or part thereof to LCR. This would be entirely at their own discretion and be treated in full confidence. The sums of £300 if relinquished, would transfer from the Share Capital without any outlay by LCR and the £9 interest at 3% would become available for payment to the CBF.

This is for consideration and, if the AGM accepts the concept, the Board will take this proposal forward in the New Year.

The proposal was met with unanimous agreement.

6. Community Benefit Fund Update

On behalf of the Community Benefit Fund Group, Dave Maxwell outlined recipients of the Community Benefit Fund as follows:

Community Council Beach Cleaning - £1000; Ullapool Unpacked CIC - £1500; Lochbroom Community Council (Morefield Slide) - £1500; Scottish Wildlife Trust (Boat Fuel for Remote Beach Cleans) - £500; Badralloch Grazing Committee (firefighting equipment) - £250; Swim Club - £1000; Clachan Heritage Trust (Portable Disabled Toilet) - £1300; Welcome Ullapool (Gateway Sculpture Village Entrance) - £1050.

Due to Covid, match-funding was made available by H&I Benefit Fund which effectively doubled awards made in 2020.

A new round of funding of £8247 + Gift Aid was announced on 5th October 2020. It will close at the end of October and awards will be made by year end.

7. Next Steps

Rob Gibson commissioned and financed a short film by Kirsteen Currie showing the hydro scheme, where it is located and some key aspects of the work so far. Rob is happy to share copies with individuals and it will be posted on social media pages.

In conclusion, Rob thanked all for attending, Amanda for hosting the meeting and Tim thanked Rob for chairing.

DRAFT