

HEART OF ENGLAND COMMUNITY ENERGY

2021 AGM

2021 Annual General Meeting
28th June 19.00
Zoom online



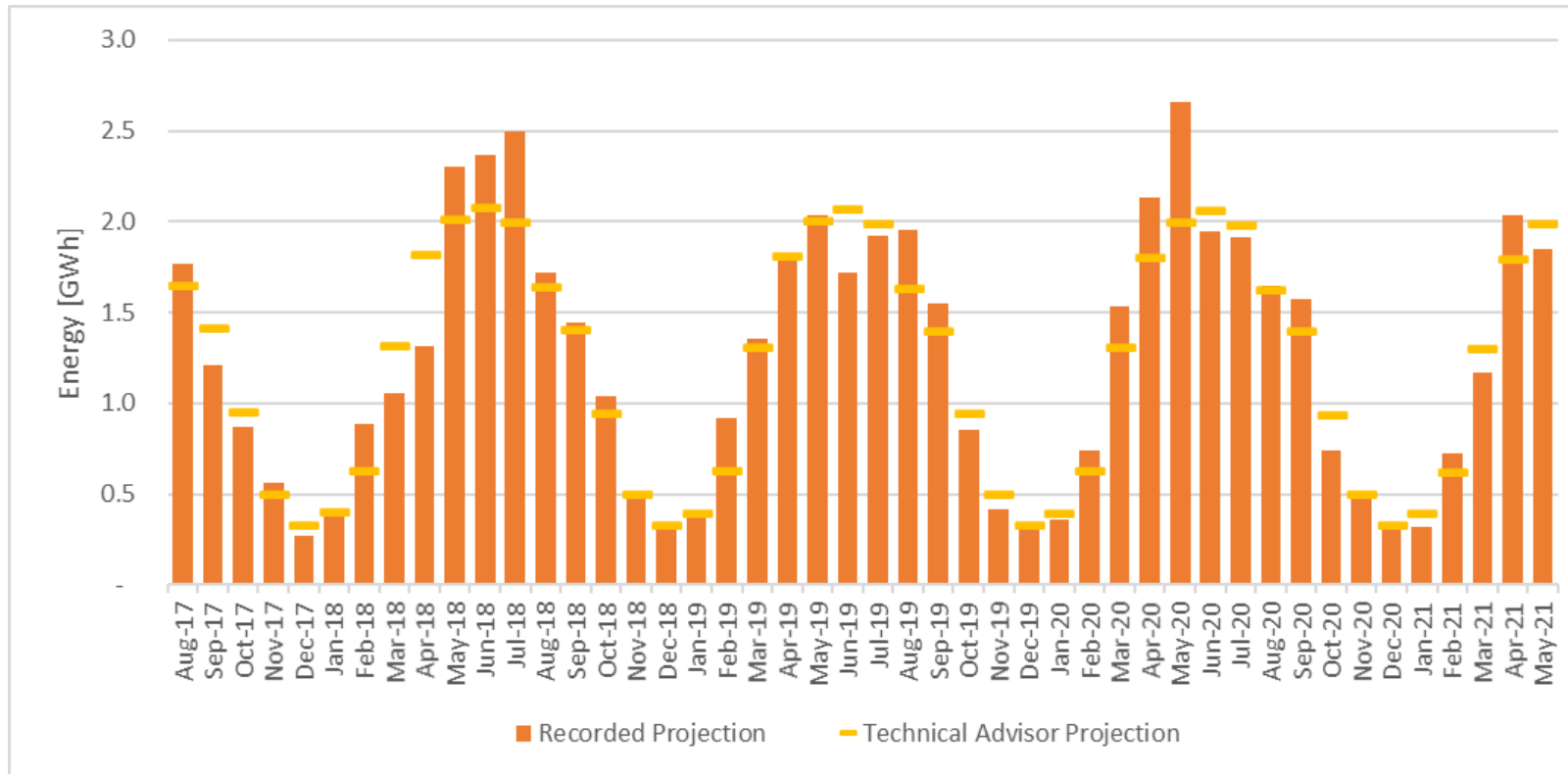
Heart of England
Community Energy



Agenda

1. Welcome
2. Heart of England Community Energy update:
 - a. Performance of our solar farms
 - b. Payment of share and bond interest
 - c. Community projects supported
 - d. Update on group financial information
3. Formal AGM Business:
 - a. To present Heart of England Community Energy accounts for the year ending 31st December 2020
 - b. To delegate to the directors the authority to appoint auditors
 - c. To elect the board of directors
4. Guest speaker Yvonne Mckinnon giving a short talk about 'The Way Ahead Project'
5. AOB
6. Close

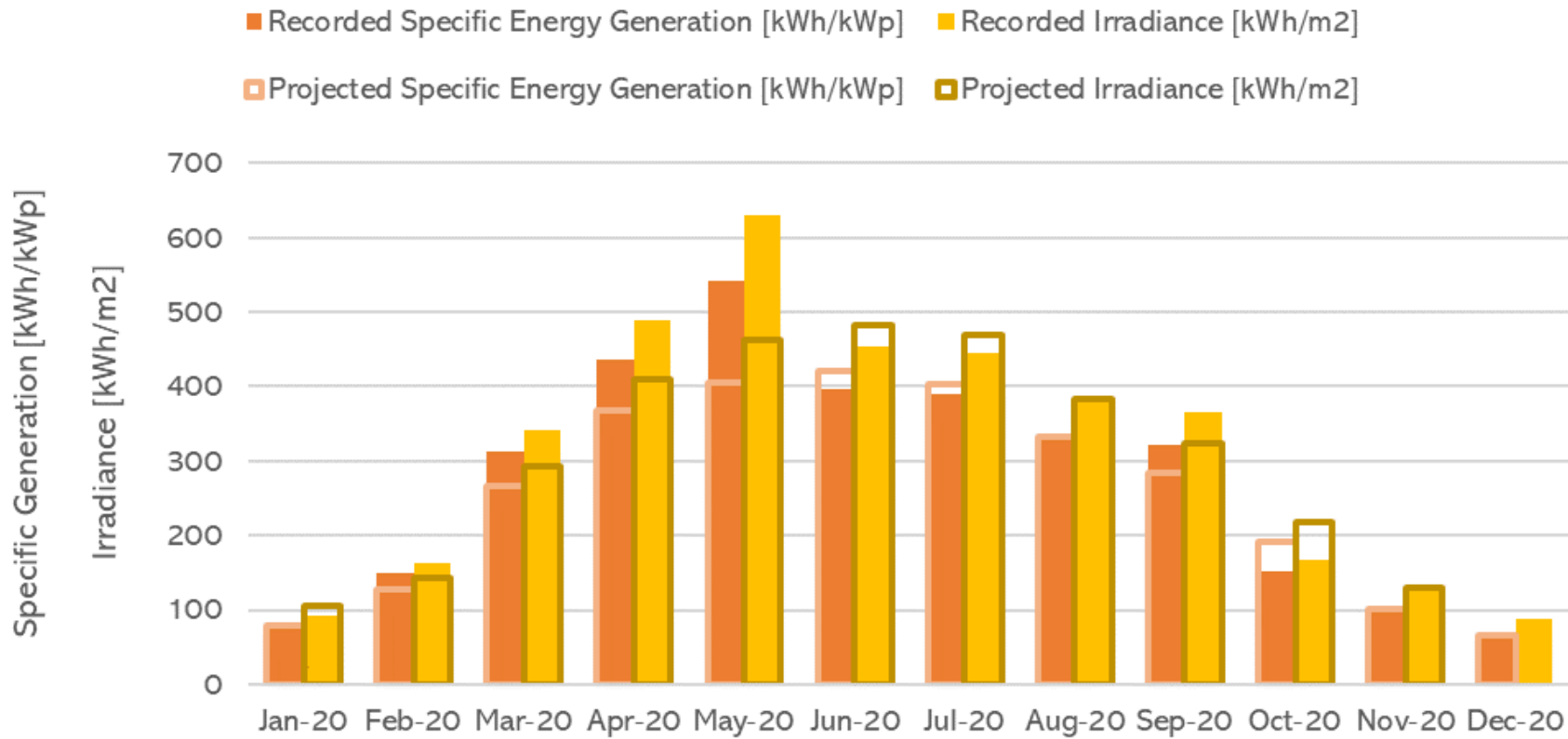
Performance – lifetime



- 3.69% up on long term projections
- 57 million kWh generated
- Over 17,600 tonnes of CO₂ avoided¹

1. Based on the government's 2019 figure for CO₂ emissions per kWh generated for the UK energy mix.

Performance – last 12 months



2020 was a rare (approx. once in 100 years) record year coming in 7.7% above long term projections

Other operational activities



Leys Audit

- An accreditation audit was completed on The Leys by Ofgem on 16th December 2020. The Leys passed the audit.
- The sites which are subject to audit are selected at random by Ofgem. Poplars and Willows may or may not be subject to an audit in future.

Land and Environment Management Plan

- HECE has been reviewing the Land and Environment Management Plan (LEMP) with a view to improving ecological and biodiversity outcomes at the sites.
- With advice from an ecologist, a new plan has been agreed with the landlord and the maintenance contractor. The new plan is due to be submitted to Stratford District Council in early July.

Member / bondholder payments



Bondholders

- Target interest 5%
- 3rd year's interest (to end April) was paid at 5% on 30th April 2021
- Maturity 30th April 2022

Members / shareholders

- Target interest 6%
- Board has approved 3rd year's interest at 6% (to end Dec '20) to be paid by 31st July 2021

Community projects supported



£14,500 of funding (+£10,000 from Stratford Town Trust) for Act on Energy's Fuel Poverty Advice Service helped support:

- 519 people received advice at 51 events across the district
- 43 home visits for physical interventions, energy efficiency advice and billing/switching advice and well-being support
- 73 Physical interventions, including heating, insulation, boiler servicing, emergency heating provision and small measures
- £35,000 of grant funding secured for boiler replacement and insulation, saving householders £4,000 per year

Reporting based on year ending March 2020.

Citizens Advice South Warwickshire

A £6,300 grant from HECE facilitated £12,252 worth of purchases from other funds to alleviate severe hardships, including:

- Provision of school uniform and other clothing
- Emergency food provision
- Emergency replacement of cookers and fridges
- Provision of beds, bedding and other essential furniture

Solar Aid Africa

£2,500 donation has enabled Solar Aid to distribute and sell 625 solar lights and the impact has been transformational:

- 3,371 people have access to clean, safe and affordable light.
- 628,600 extra study hours created for children
- £99,500 saved by families from reducing spending on lighting alternatives like kerosene; 10% of household income. Savings are spent on food, school fees and livelihoods
- 1,640 people experiencing better health thanks to reduced indoor air pollution
- 663 tonnes of carbon dioxide emissions averted due to reduced kerosene lamp use

Stratford upon Avon Foodbank

£365 grant provided to enable completion of Christmas hampers

Consolidated Group Accounts



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £	% Change
Turnover		1,681,549	1,522,750	+ 10.4% turnover
Gross profit		1,681,549	1,522,750	
Administrative expenses		(1,065,712)	(1,283,857)	- 17.0% administrative expenses
Operating profit		615,837	238,893	
Interest receivable and similar income		-	1,682	
Interest payable and expenses		(671,193)	(997,598)	- 32.7 % interest charges
Loss before taxation		(55,356)	(757,023)	
Loss for the financial year		(55,356)	(757,023)	- 92.7% loss

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

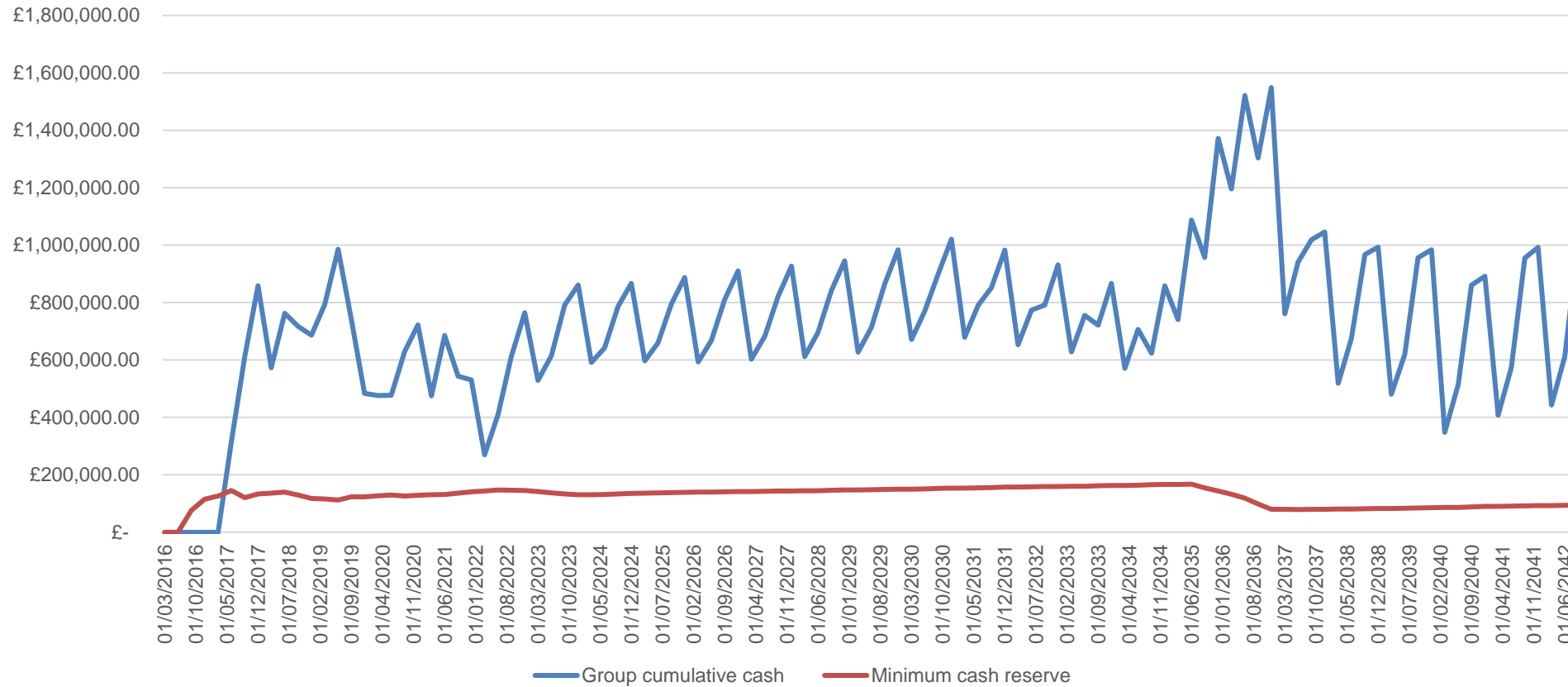
	Note	2020 £	2019 £
Fixed assets			
Intangible assets		435,664	455,849
Tangible assets		12,563,015	13,239,705
		<u>12,998,679</u>	<u>13,695,554</u>
Current assets			
Debtors: amounts falling due within one year	8	175,115	323,217
Cash at bank and in hand		744,038	483,819
		<u>919,153</u>	<u>807,036</u>
Creditors: amounts falling due within one year	10	(2,321,265)	(777,764)
Net current (liabilities)/assets		<u>(1,402,112)</u>	29,272
Total assets less current liabilities		<u>11,596,567</u>	<u>13,724,826</u>
Creditors: amounts falling due after more than one year	11	(13,181,511)	(15,254,413)
Provisions for liabilities			
Net assets		<u>(1,584,944)</u>	<u>(1,529,587)</u>
Net liabilities		<u>(1,584,944)</u>	<u>(1,529,587)</u>
Capital and reserves			
Called up share capital		267,001	267,001
Profit and loss account		(1,851,945)	(1,796,588)
Equity attributable to owners of the parent Company		<u>(1,584,944)</u>	<u>(1,529,587)</u>
		<u>(1,584,944)</u>	<u>(1,529,587)</u>



HECE Group cashflow projections



HECE Group projected consolidated cash



Target minimum cash reserve is difference between P50 (long term average) revenue and P90 (expectation to exceed in 90% of years) revenue, plus 10% of operating costs.

Change in group debt



Lender	Dec-18	Dec-19	Dec-20	Projected Dec 21
Close brothers	£ 10,665,942.00	£ -	£ -	£ -
Triodos	£ -	£ 11,753,155.29	£ 11,154,091.43	£ 10,640,493.65
SASC	£ 5,996,068.84	£ 4,262,507.57	£ 4,252,507.57	£ 3,197,091.36
Bond capital	£ 339,900.00	£ 339,900.00	£ 339,900.00	£ 1,099,900.00
Total borrowing	£ 17,001,910.84	£ 16,355,562.86	£ 15,746,499.00	£ 14,937,485.01

2021 Refinance



The group completed a refinance of SASC loans in May 2021, which;

- further reduced the interest rate from 6 – 6.5% down to 4.25% (increasing annually with CPI).
- extended the maturity date of part of the SASC loans which were due for repayment this year out to 2029.

A further bond offer is proposed to be launched in Autumn of 2021, to raise up to £1.01m at a target interest rate of 4%, with a projected maturity date prior to the end of the Feed-in-Tariff accreditation in 2036.

The proceeds of this offer will be used to refinance the existing bond capital of £339,900, which becomes due for repayment in April 2020, with the remainder applied to refinance the shorter term SASC loans.

It is intended to offer existing bond holders the opportunity to exchange their existing bonds for the new bonds on a £ for £ basis.

Formal AGM Business



- a. To present Heart of England Community Energy accounts for the year ending 31st December 2020. The accounts are available on [HECE's website](#).
- b. To delegate to the directors the authority to appoint auditors (currently Griffin Accountancy).
- c. To re-elect retiring directors.

Re-election of directors



John Stott (Chair) – standing for re-election

Susan Juned

Tony McNally

Tony Guy – standing for re-election

Dave Passingham

Eric Appleton

Kate Evans – co-opted

Michael Bullock is not standing for re-election.

We thank him for putting a lot of work into overseeing a critical few years of HECE's development.

Guest speaker

Guest speaker Yvonne Mckinnon giving a short talk about 'The Way Ahead Project'

<https://wayaheadprojectsa.org/>





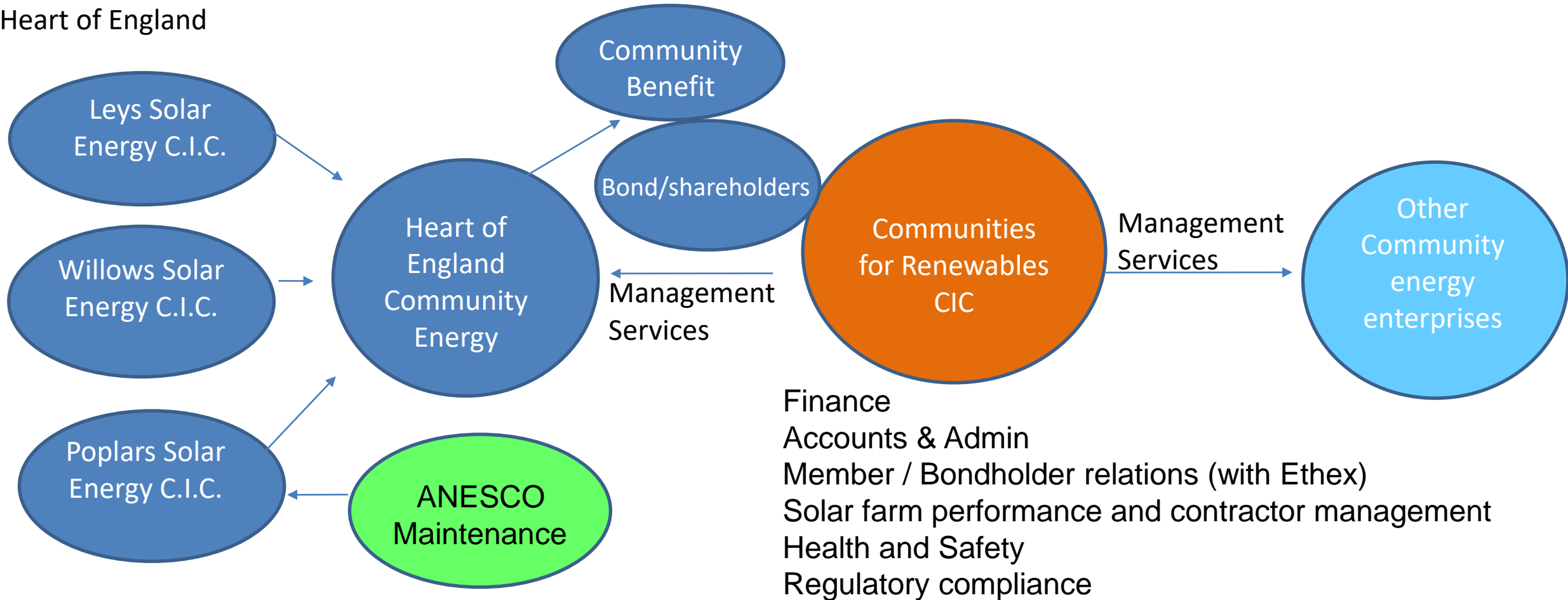
Thanks

For updates please keep an eye on our website: www.hecommunityenergy.org/news

HECE Structure



Subsidiaries owned by
Heart of England



Heart of England Community Energy Limited



Regulated by the FCA and Co-operatives and Community Benefit Societies Act.

Governed by board of local volunteer directors.

Operates for the benefit of the communities of the Heart of England region. We generate low carbon electricity to earn surplus income to support local community projects.

Shareholders are one member one vote, regardless of number of shares.

Managed by Communities for Renewables CIC (CfR)

For updates please keep an eye on our website:

www.hecommunityenergy.org/news