

HEART OF ENGLAND COMMUNITY ENERGY

2019 AGM

2019 Annual General Meeting
20th June 7.30pm
Stratford-upon-Avon Methodist Church





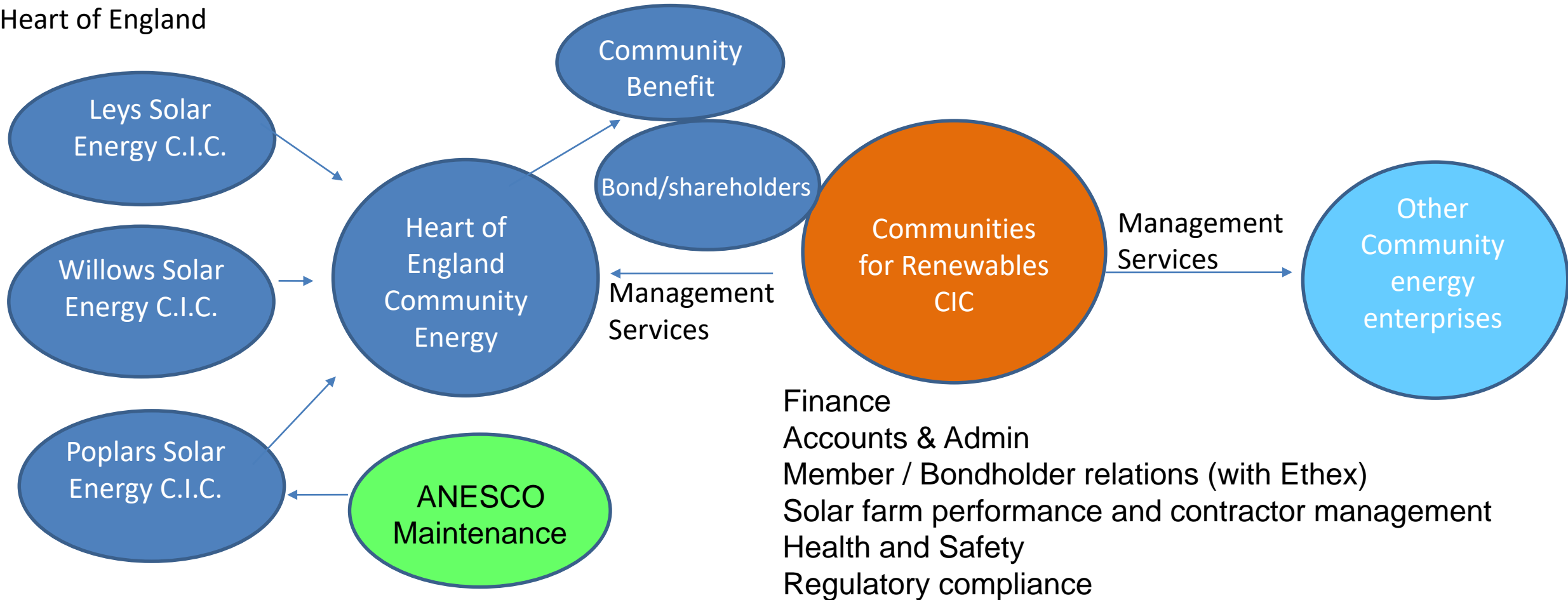
Agenda

1. About Heart of England Community Energy
2. Update:
 - Performance.
 - Payment of share and bond interest.
 - Community projects supported.
 - Refinance.
3. Formal AGM items
4. Guest speakers:
 - Richard Milward, Act on Energy.
 - Bob Sherman, Harbury E-Wheels.
 - Jake Burnyeat, CfR CIC
5. AOB

Corporate Structure



Subsidiaries owned by
Heart of England



Heart of England Community Energy Limited



Regulated by the FCA, must provide benefit to the communities in which we operate.

Generate low carbon electricity to earn money.

Plans to pay 6% pa interest to shareholders and donate significant funds for community benefit.

Plans to pay 5% pa to bondholders and plans to issue more bonds soon.

One member one vote, regardless of number of shares.

Communities for Renewables CIC



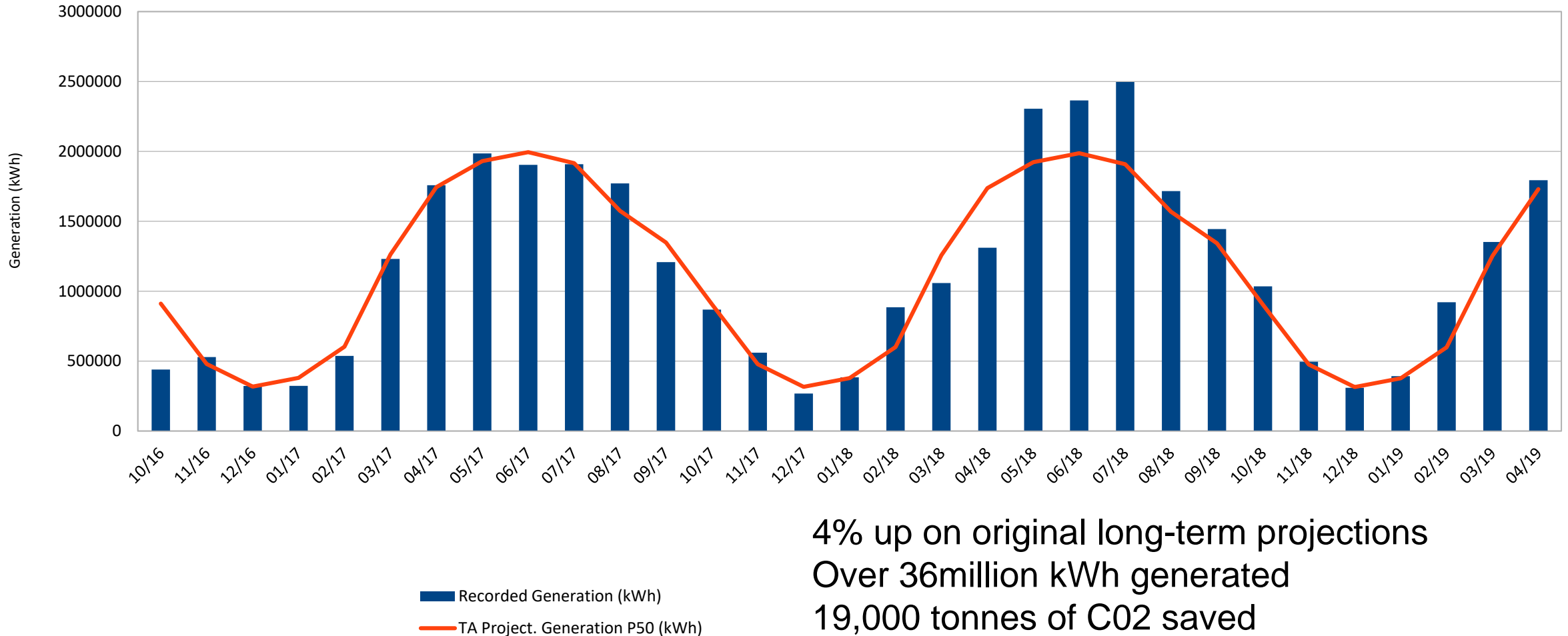
- CfR is a not-for-profit CIC which manages c.50MW of community energy assets.
- Became our asset manager last November.
- Provide the management services mentioned earlier.
- Overseen construction of a new financial model & website and managing the re-finance process.

www.cfrbic.co.uk

Performance - lifetime



HECE - combined sites performance to date

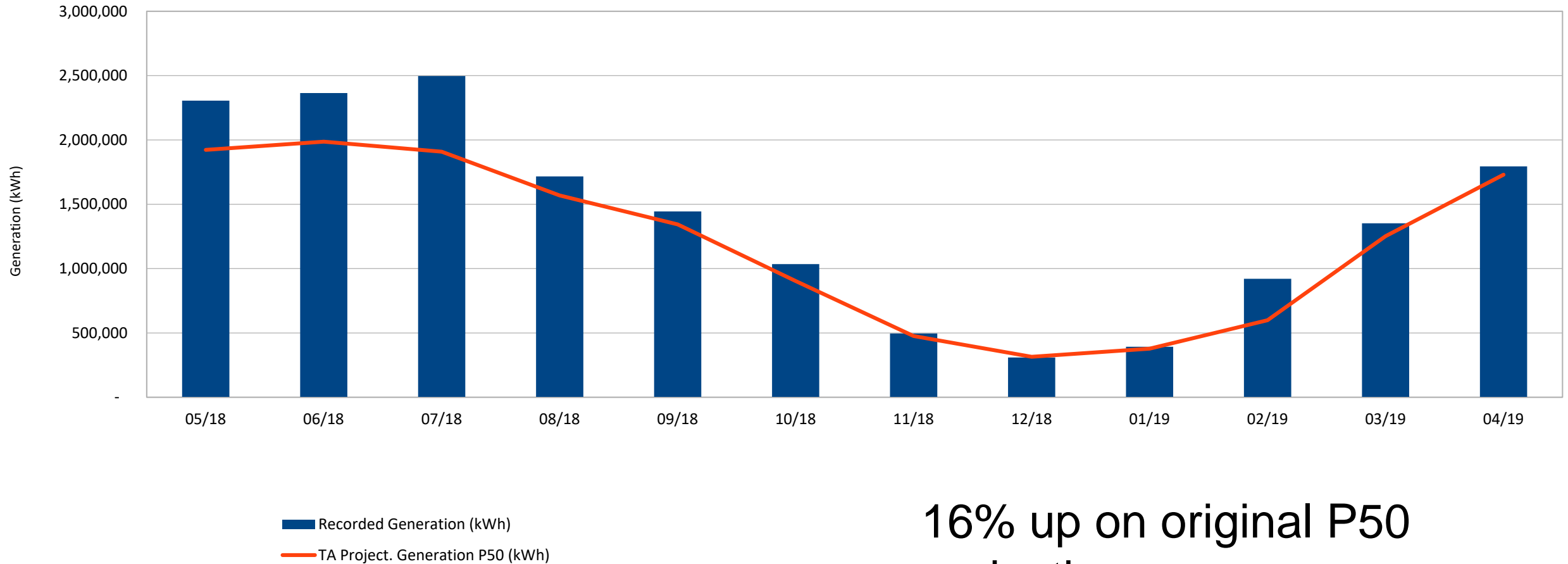


4% up on original long-term projections
Over 36million kWh generated
19,000 tonnes of CO2 saved

Performance – last 12 months



HECE - combined sites last 12 months



16% up on original P50 projections

Member / bondholder payments



Bondholders

- £339,900 from 54 bondholders
- Accrue interest at 5%
- 1st year's interest (to end April) paid by 31st May 2019 (DONE) and annually thereafter
- Maturity 30th April 2022

Members / shareholders

- £267,000 from 72 members
- Accrue interest at 6%
- Board has approved 1st year's interest (to end Dec '18) to be paid by 31st July 2019

Community projects supported



Act on Energy – £14,500 + £10,000 from Stratford Town Trust

Solar Aid - £2,500

Harbury E-Wheels - £1,800

Refinance



| | Current finance | Re-finance |
|------------------|--|--|
| Senior loan | £10.6million Close Brothers short-term loan at c.5.5% | £11.1million Triodos Bank Loan 15 year loan at c.3.6% |
| SASC junior loan | £6.4million (inc capitalised interest) short-term loan at 8% | £2.25 million 18 year loan at 6% <i>£1.03 million 9 year loan at 6.5%*</i> <i>£2.61 million 2 year loan at 6.5%*</i> |
| Bonds | £340k 2018 bonds at 5% | c.£3million** to be raised over next 2 years Long-term bonds at c.5% |
| Shares | £267k 2018 shares at 6% | £267k 2018 shares at 6% |

*To be repaid by new bond offer and cumulative cash

**TBC



AGM Agenda

- a. To present Heart of England Community Energy accounts for the year ending 31st December 2018. Note these are draft unaudited accounts. Audited accounts will be circulated following the AGM.
- b. To delegate to the directors the authority to appoint auditors (currently Griffin Accountancy)
- c. To elect the board of directors

Heart of England Community Energy Ltd

Consolidated Income Statement
for the Year Ended 31 December 2018



| | Notes | 31.12.18 £ | 31.12.17 £ |
|---|-------|------------------|------------------|
| TURNOVER | | 1,784,459 | 615,643 |
| Administrative expenses | | <u>1,360,065</u> | <u>567,163</u> |
| OPERATING PROFIT | 3 | 424,394 | 48,480 |
| Interest payable and similar expenses | | <u>1,034,586</u> | <u>495,503</u> |
| LOSS BEFORE TAXATION | | (610,192) | (447,023) |
| Tax on loss | | - | - |
| LOSS FOR THE FINANCIAL YEAR | | <u>(610,192)</u> | <u>(447,023)</u> |
| Loss attributable to: Owners of the parent | | <u>(610,192)</u> | <u>(447,023)</u> |

P&L to
Dec
2018

Consolidated Balance Sheet
31 December 2018

| | Notes | 31.12.18 | | 31.12.17 | |
|--|-------|------------------|--------------------|------------------|-------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Intangible assets | 5 | | 476,034 | | 496,219 |
| Tangible assets | 6 | | 13,898,745 | | 14,645,805 |
| Investments | 7 | | - | | - |
| | | | <u>14,374,779</u> | | <u>15,142,024</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 669,837 | | 384,938 | |
| Cash at bank | | 1,332,008 | | 1,285,106 | |
| | | <u>2,001,845</u> | | <u>1,670,044</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | 10,840,447 | | 771,388 | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(8,838,602)</u> | | <u>898,656</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 5,536,177 | | 16,040,680 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 10 | | 6,326,391 | | 16,487,702 |
| NET LIABILITIES | | | <u>(790,214)</u> | | <u>(447,022)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 267,001 | | 1 |
| Retained earnings | | | <u>(1,057,215)</u> | | <u>(447,023)</u> |
| | | | <u>(790,214)</u> | | <u>(447,022)</u> |



Balance sheet at end Dec 2018

Election of the Board



John Stott

Susan Juned

Tony McNally – standing for re-election

Tony Guy

Dave Passingham

Stuart Potter – standing for re-election

Michael Bullock – standing for re-election

Eric Appleton

Kate Evans