

HEART OF ENGLAND COMMUNITY ENERGY

2024 AGM

2024 Annual General Meeting
1st July 19:00



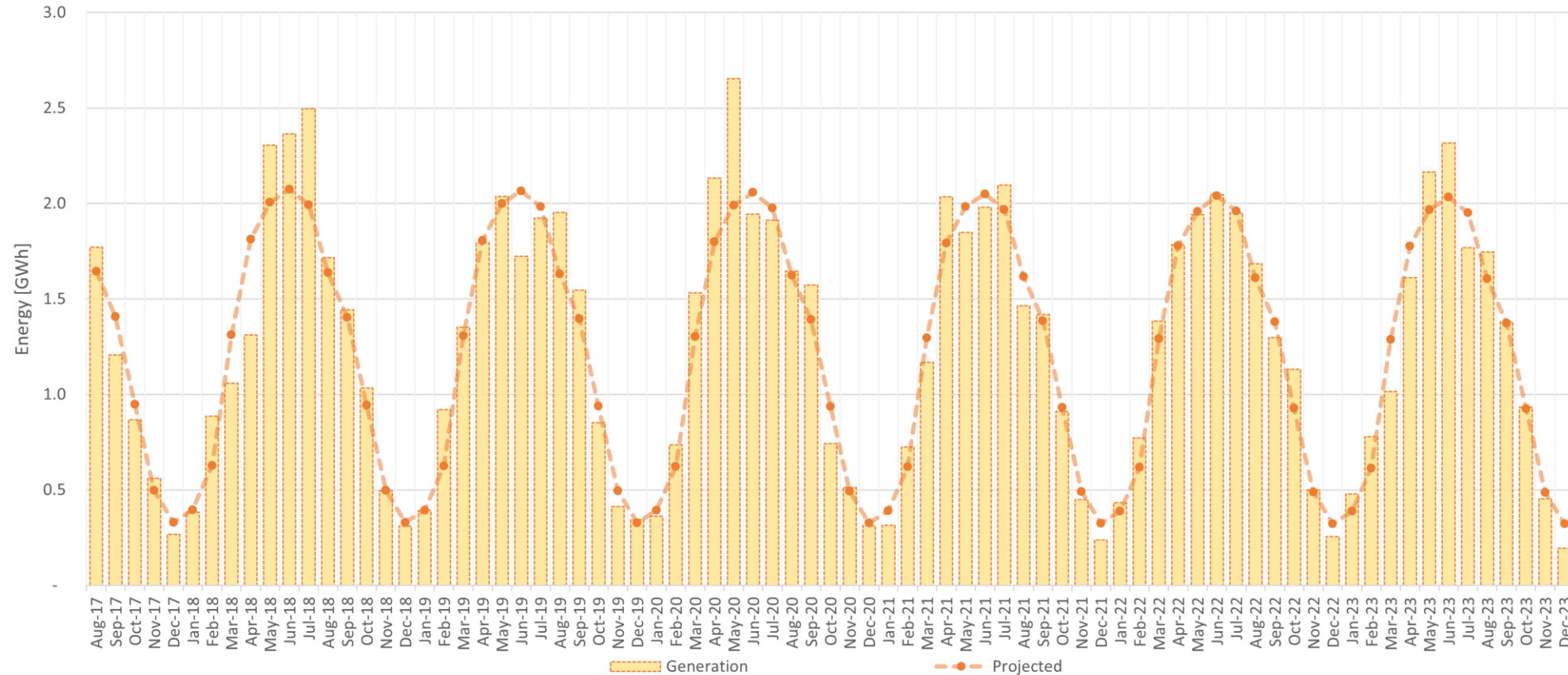
Agenda

1. Welcome
2. Heart of England Community Energy update:
 - a. Performance of our solar farms*
 - b. Financial projections*
 - c. Payment of share and bond interest*
 - d. Community projects supported*
 - e. Solar Soft Loans Scheme*
3. Resolutions/ Extraordinary Resolutions:
 - a. To present Heart of England Community Energy accounts for the year ending 31st December 2023.*
 - b. To elect the board of directors*
4. AOB
5. Guest speaker, Duncan Law, Head of Policy and Advocacy at Community Energy England.
6. Close



Performance – lifetime

Lifetime performance of HECE's 3 solar farms



Summary of Key Information

- 1.2% up on long-term projections
- 107 GWh generated
- Approximately 20,000 tonnes of CO² emissions avoided.*

*Calculated by offsetting the averaged annual grid carbon intensity figures produced [the National Grid](#).

Performance – 2023

Summary

In 2023, we saw a successful year at the solar farms, with generation levels coming in 0.7% above P50 projections. The total irradiance levels were near exactly as projected.

Throughout the last 12 months, the site's have performed reliably with just one major outage affecting generation, which is explained further on the next slide.

		Generation versus Projections			
Year	Irraditation*	Leys	Poplars	Willows	Total
2018	5.0%	5.2%	5.3%	4.9%	5.1%
2019	0.7%	1.8%	1.9%	1.9%	1.9%
2020	6.6%	7.7%	7.4%	8.0%	7.7%
2021	-1.6%	-0.7%	-2.1%	-1.3%	-1.4%
2022	7.0%	3.7%	0.7%	4.1%	2.8%
2023	0.0%	0.8%	-0.2%	1.8%	0.7%

** Irradiance based off Willows data for 2018-2021, Poplars 2022-2023*

Other operational activities

Poplars HV Cable Fault

On November 8th, Poplars experienced an underground HV cable fault, causing a site outage. Anesco reenergized one half of the site the same day, while the other half remained offline. The board and Anesco worked effectively to approve and complete repairs, restoring full operations by December 1st. Anesco doesn't expect similar faults to recur.



Great Big Green Week

Heart of England Community Energy maintains its commitment to Great Big Green Week. Continuing on the visits in 2022 and 2023, on June 14th 2024, we hosted another successful public site visit, educating visitors about solar, our biodiversity initiatives, and the benefits we are bringing to the community.

Site Ecological Survey

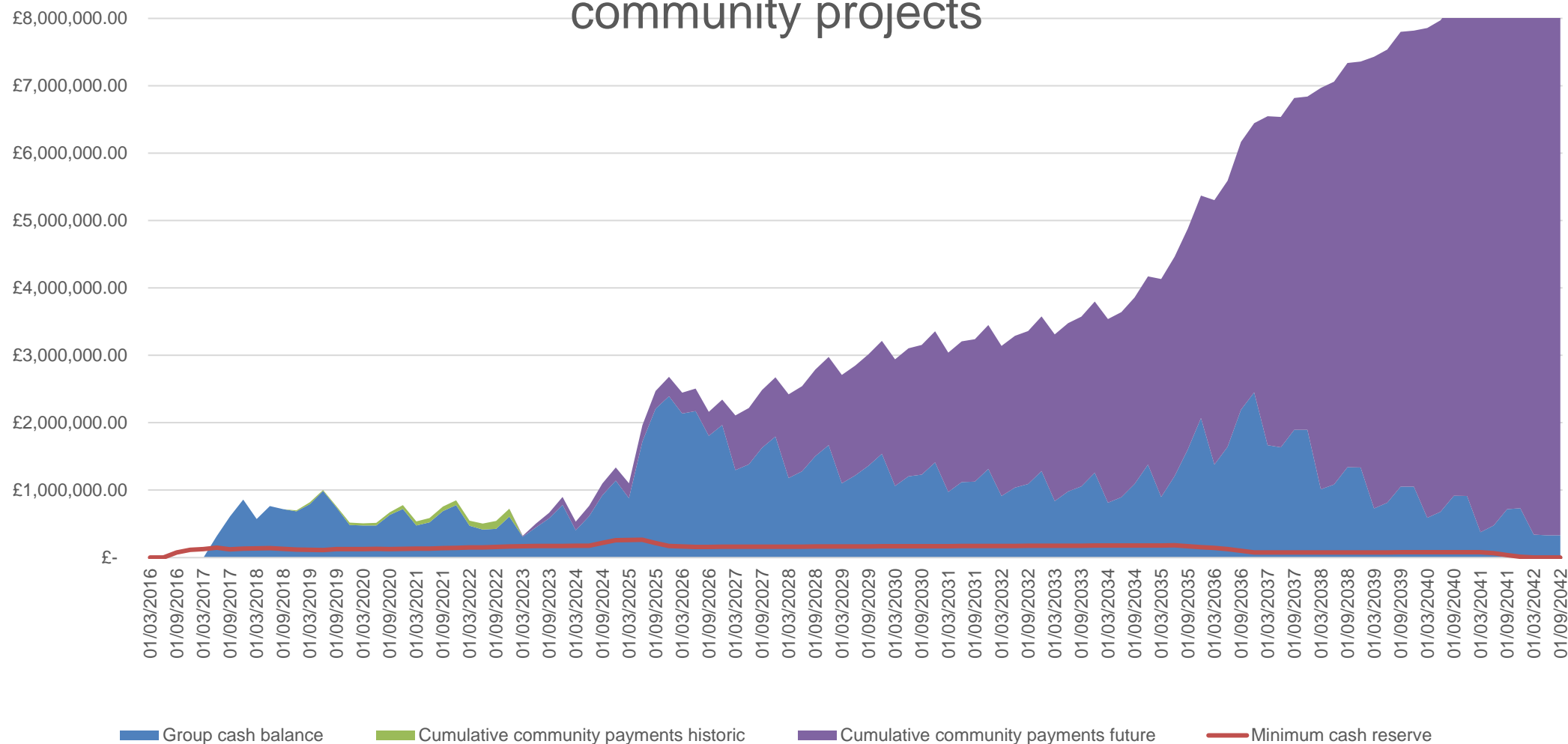
The annual ecological survey portrayed a positive picture of the developing ecological diversity which we are committed to nurturing, aiming ultimately to have the solar farm's designated as Local Wildlife Sites hopefully in the near future.

Financial Projections



Heart of England
Community Energy

HECE Group projected consolidated cash available for community projects



Projected total cash for community projects to end of subsidy term in 2036 - £6.2m

Historic funds allocated to community spend

Year	Community fund revenue allocated		Community fund expenditure from HECE	
2018			£	14,482.00
2019	£	30,000.00	£	18,782.00
2020	£	30,000.00	£	23,645.79
2021	£	30,000.00	£	13,378.95
2022	£	45,900.00	£	43,128.79
2023	£	120,000.00	£	123,752.61
Total	£	255,900.00	£	237,170.14

Since the 2019 refinance of the HECE group £255,900 has been allocated to community expenditure and £237,170 of that allocation spent.

In 2023 an additional £200,000 was generated in surpluses, leaving funds available for community projects of £233,000 at the start of 2024.

HECE Group projected surplus cash generation

Year	Cash available for community funds and new projects	
Opening balance	£	233,000
2024	£	474,871
2025	£	1,354,740
2026*	£	75,000
2027	£	418,871
2028	£	358,258
2029	£	305,116
2030	£	224,139
2031	£	158,582
2032	£	132,616
2033	£	208,498
2034	£	213,381
2035	£	1,112,840
2036	£	959,076
Total to end subsidy term	£	6,228,988

This table shows the surpluses projected to be generated by the group after operating and finance costs each year through to 2036, when the solar farm subsidies expire.

**Surpluses for community funds in 2026 is lower than other years as funds are used for reducing over-capitalisation of the group. The board has discretion to divert more funds to community projects if good opportunities are available.*

Community projects supported

Act on Energy

In 2023, Act on Energy received £54,912 from HECE to provide:

- 175 home visits and 366 web/phone support sessions to fuel-poor customers through the “Complex Caseworker Project”.
- The project generated cumulative savings and income gains totalling £157,600 through energy efficiency measures.
- Over 410 fuel-saving items, including draught proofing and energy-efficient light bulbs, were installed.
- Additionally, £26,500 of HECE’s funding was allocated for emergency payments to those in severe fuel poverty.

Act on Energy's efforts in 2023 have effectively supported fuel poor customers, resulting in substantial energy savings and assistance for vulnerable households impacted by the relentless cost-of living crisis. The impact of the project has been significant because, as a result of HECE’s funding, evidence of need for this type of project was clearly demonstrated. So much so, that both Stratford and Warwick District Councils have now committed to funding similar projects.

Stratford upon Avon Foodbank

In December 2023, the board approved a £6,000 donation to the foodbank following a shortage appeal, funding 48% of their Christmas Hampers Project.

421 Christmas hampers were distributed, filled with treats, festive gifts, and essential goods, bringing joy and relief to 569 adults and 584 children in the local community.



Community projects supported

Citizens Advice South Warwickshire (CASW)

In 2023, CASW received two grants from HECE:

- **Hardship Funding:** A donation of £15,000 created a hardship fund to distribute food vouchers, school uniforms, white goods, and support for energy bills and utilities. This support has undoubtedly lightened the financial burden for local families during a challenging year.
- **Grant for Administrator Time:** In 2023, HECE provided a grant of just over £13,000 to support CASW's admin team. The funding enabled them to efficiently process 273 grants for individuals in need, covering essential items like washing machines, cookers, fridges, and furniture. HECE's support facilitated the acquisition of these items, which were valued at approximately £42,721 and directly benefitted 189 individuals in the local community.

£30,000+ was donated to community benefit projects:

- Crafty Lunch Club CIC received £5,000 to support weekly socialisation, crafts, and themed meals for adults with disabilities and their carers.
- RSPCA Coventry and District Branch got £2,500 for the Pet Food to Food Banks project, delivering pet food donations to food banks.
- Bidford on Avon Parish Council received £3,600 to establish a new Community Fridge and Café, reducing food waste and providing meals to those in need.
- Napton Environmental Action Team received £800 to purchase a thermal imaging camera for identifying poor insulation, draughts, and damp in local buildings.



Carbon Saving Soft Loans for community organisations and schools

HECE is intensifying efforts to deploy surplus cash to their community funding.

Carbon Saving Soft Loans will help HECE turn surplus income generated from our community solar farm into solar panels on the roofs of local schools and community buildings. We aim to help organisations that would not have the funds to do it themselves, to install solar panels or other carbon saving measures. The repayment of the loan is based on a share of the actual cost savings. We will reinvest the loan repayments into our community fund or other carbon-saving soft loans.

HECE is currently working on deploying this model with local councils, schools, and community buildings. For more information please visit: <https://www.hecommunityenergy.org/solar-soft-loans>



Member / bondholder payments

Bondholders

- Bond interest paid at 4% on 30th September 2023.
- Interest at 4% to be paid on 30th September 2024.

Members / shareholders

- Target interest 6%
- Board has approved 6th year's interest at 6% (to end Dec '23) to be paid by 31st July 2024.



Formal AGM Business

- a. To present Heart of England Community Energy accounts for the year ending 31st December 2023. The accounts are available on [HECE's website](#).
- b. To re-elect retiring directors.



Consolidated Group Accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover		2,157,675	1,987,029
Gross profit		2,157,675	1,987,029
Administrative expenses		(1,274,228)	(1,137,820)
Operating profit		883,447	849,209
Interest receivable and similar income		422	37
Interest payable and similar expenses		(497,882)	(533,968)
Profit before taxation		385,987	315,278
Tax on profit		206,410	110,590
Profit for the financial year		592,397	425,868

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	375,109	395,294
Tangible assets	6	10,532,946	11,209,635
		<u>10,908,055</u>	<u>11,604,929</u>
Current assets			
Debtors: amounts falling due within one year	8	614,845	428,613
Cash at bank and in hand	9	850,382	650,613
		<u>1,465,227</u>	<u>1,079,226</u>
Creditors: amounts falling due within one year	10	(995,109)	(926,389)
Net current assets		<u>470,118</u>	<u>152,837</u>
Total assets less current liabilities		<u>11,378,173</u>	<u>11,757,766</u>
Creditors: amounts falling due after more than one year	11	(11,777,305)	(12,748,795)
Net liabilities		<u>(399,132)</u>	<u>(991,029)</u>
Capital and reserves			
Called up share capital		266,501	267,001
Capital redemption reserve		500	-
Profit and loss account		(666,133)	(1,258,030)
Equity attributable to owners of the parent Company		<u>(399,132)</u>	<u>(991,029)</u>

HECE Accounts commentary

- Turnover increased on the previous year by £170,000. The greatest factors in this increase were increased power sale prices and subsidies. The solar farms collectively generated 0.7% more electricity in 2023 than the long-term projection.
- Turnover was £68,000 above the long-term average target.
- Administrative costs excluding community expenditure were £55,000 higher than the previous year due to;
 - Inflationary increases to services contracts (£35k);
 - Repairing Poplars cable fault (£20k);
 - Increased insurance premiums (£10k);
 - Decrease in electricity import costs(-£2k);
 - Reduction in business rates of Poplars and Willows(-£8k);
- Borrowing reduced in the year to £12.53m from £13.49m in 2022.
- Community benefit expenditure increased by £81,000 versus 2022.
- Overall balance sheet value improved by £592,397 in the year.

HECE board of directors

John Stott (Chair)

Susan Juned

Tony McNally

Tony Guy

Dave Passingham

Eric Appleton

Rebecca Hampson

Paul Fairburn



Election of directors

Paul Fairburn was co-opted as a new director by the board this year. He is now standing for election by the members.

Three HECE directors are stepping down and standing for re-election:

- John Stott
- Tony Guy
- Rebecca Hampson



Guest Speaker



Duncan Law

Head of Policy and Advocacy
Community Energy England



Thanks

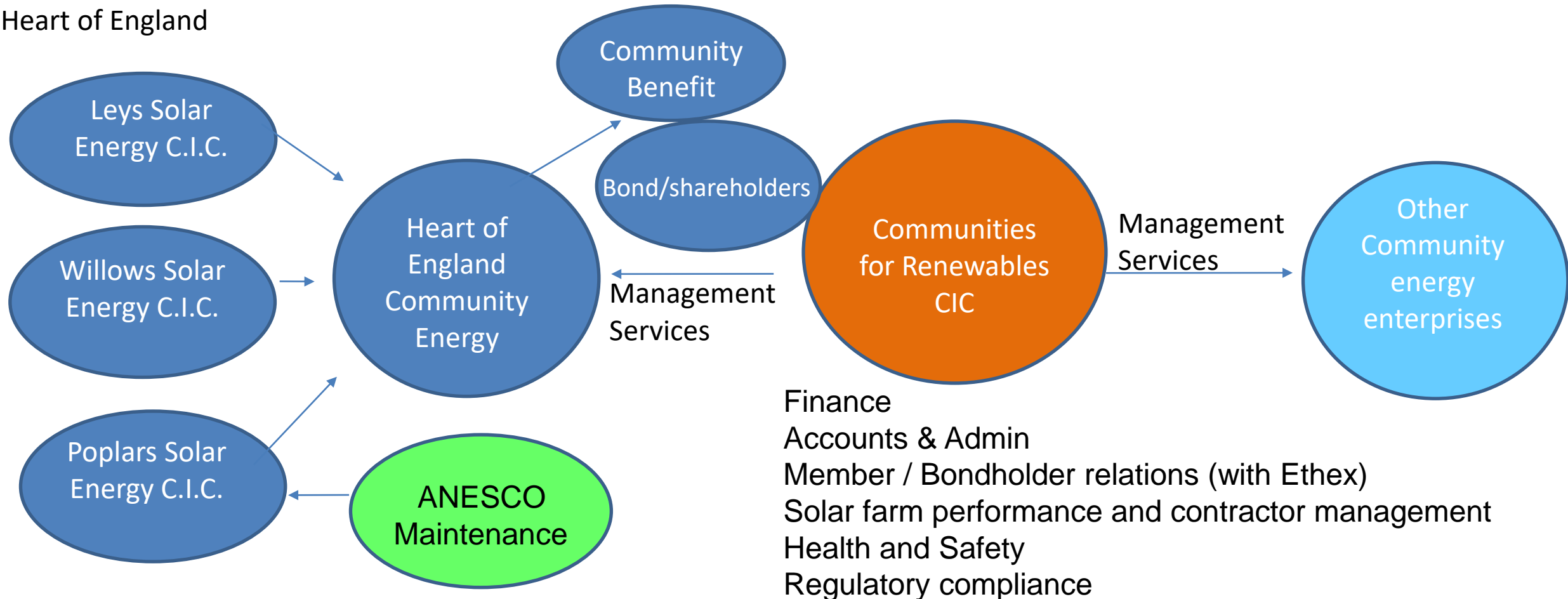
For updates please keep an eye on our website: www.hecommunityenergy.org/news



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