

Kilbraur Wind Energy Co-operative Ltd (Reg. No. 2701RS)

Minutes of Annual General Meeting

**Held at: Royal Marine Hotel, Golf Road, Brora, Sutherland KW9 6QS
Wednesday 24th June 2009 at 6.30 p.m.**

Present: 25, 8 partners/guests, 5 Directors, Company Secretary, 1 Energy4All representative.

Voting: 2 Proxy Forms appointing the Chairman to vote on their behalf were received.

1. Introductions and Apologies

The members were welcomed by the Acting Chairman, Garry Coutts, to the inaugural Kilbraur Wind Energy Co-op (KWEC) AGM, especially those who had travelled a long distance. Garry introduced the Directors; Bruce Field, Colin Lawrence, Paul Phare, Tom Robinson and the Company Secretary, Annette Heslop. Apologies were received from Directors Mark Jennison and Liam O'Neill and 5 members of KWEC.

Garry stressed the importance of the good governance of the Co-op, and informed the AGM that two letters had been received from members requesting that postal voting be considered for future AGMs. The letters had been received after the cut-off date for the agenda, but Garry undertook that the Board will consider postal voting and will call a general meeting so that postal voting could be in place for the 2010 AGM if appropriate.

Guest speaker Euan Fraser (Falck Renewables) gave a presentation on the planning and development of the Kilbraur wind farm. The members had no questions for Euan, but thanked him for a most informative presentation.

Garry continued with the Chairman's presentation and talked about the formation of the Co-op and the other key players involved and presented some of the background to the co-operative movement:-

Key Players:

Energy4All Ltd - a Social Enterprise. Creates and supports community co-ops.

Falck Renewables - Kilbraur wind farm project developer and owner. Supports the creation of community co-ops.

Wider Picture:

There is a growing market for renewable energy, and Scotland has set a target of 50% of its energy needs to be sourced from renewables by 2020 (31% by 2011). At present there is very little in community ownership. Only Falck Renewables has agreed a deal for all of their North Scotland sites through a unique relationship with Energy4All.

KWEC

The Co-op raised £1,043,900 and purchased an equivalent stake from Falck Renewables. KWEC is entitled to 1% of revenue from all 19 turbines less a share of operating costs. Trading began on the 3rd November 2008 and the profits derived from the two months trading will be carried over until next year with payment to members in 2010. All administration and audit costs are borne by Falck Renewables.

Performance Data

Garry explained that members can access the wind farm performance reporting data from the members' area of the KWEC website www.kilbraur.coop. Actual and budgeted output is provided along with a year to date graph.

Wind Farm Extension

Garry explained that Falck were intending to extend the wind farm and, if approved, KWEC will have the opportunity to purchase a further stake in the extension through a members' share issue. It was also confirmed that Falck had just received planning approval from the Highland Council, although final approval rests with the Scottish Executive. The share issue will be offered to existing members only and the Board will decide on priority and amounts nearer the time. Further details will be sent to all members in due course.

2. To Receive and Adopt the Report of the Directors and Annual Accounts for the Period Ended 31 December 2008 together with the Report of the Auditors thereon

Annette Heslop (Company Secretary) gave a presentation on the key figures in the Profit and Loss Account and Balance Sheet and pointed out that trading covered a period of two months from November to December 2008 based on wind farm performance. Profit for the year amounted to £9,662. This will be available for distribution to the members during 2010. Annette also presented revised projections over the life of the project estimating a return on members' capital of 9.9% per annum assuming budgeted output is met.

The motion was proposed by Mrs Anne Robinson and seconded by Mr Jonathan Tanner, and was carried unanimously at the meeting.

3. To Reappoint the firm of Melville & Co Chartered Accountants as Auditor until the conclusion of the next Annual General Meeting at a fee to be agreed by the Board

The motion was proposed by Mrs Scilla Aitchison and seconded by Mrs Anne Robinson, and was carried unanimously at the meeting.

4. Members' Questions

Members attending the meeting asked the following questions and received the following answers:-

Q. Is it possible to change to a more local firm of auditors?

A. The existing auditors have developed a particular expertise in co-ops, are local to Energy4All and are competitive in terms of cost. It is not seen as practical to change at present, but the Board will consider this matter before the next AGM.

Q. Are there 516 members of the Co-op as stated in the Chairman's Statement or 517 as stated in the Energy4All Newsletter?

A. It was confirmed that there are 517 members.

Q. Where does the Board meet?

A. The Board meets at the Royal Marine Hotel, Brora, but consideration is being given to alternative arrangements (e.g. video conferencing).

Q. What proportion of members of the Co-op are local?

A. 55 members have addresses in Sutherland.

Q. Is there any indication of local views about the wind farm extension?

A. Three objections were received to the extension (two of them local). There was a greater number of letters in support of the extension.

Q. A member stated that she had encountered difficulty in obtaining an application form and asked how information had been made available locally.

A. The publicity arrangements for the share issue were explained, and it was stated that the local Directors had put in a significant effort to raise awareness locally.

Q. Is it possible to visit the wind farm site?

A. It is possible to visit the site on foot under the Right to Roam, but the gates are locked so there is no vehicular access. The Board will consider arranging an open day.

Q. Can additional cash be raised through re-opening the share issue to residents of, say, Sutherland?

A. This would be impractical because it would require a change to the constitution of the Co-op. This would incur a considerable cost.

Q. How will the share offer operate in respect of the proposed wind farm extension?

A. Shares will be made available to existing members of the Co-op. The Co-op is not permitted to promote the share issue beyond existing members, but non-members may apply if they become aware of the share issue.

Q. In the event of a further share issue, will priority be given to residents of Sutherland?

A. Yes, priorities will be as in the original share issue.

Q. A guest queried the use of the term "Scottish Executive" instead of "Scottish Government" in the Chairman's Statement in respect of the proposed extension.

A. It was explained that "Scottish Executive" is correct in terms of current legislation.

5. Election of Directors (3 seats available). Declaration of Results

In accordance with the co-operative rules, one third of the Board must retire each year. Mark Jennison and Liam O'Neill stood down and did not seek re-election; Colin Lawrence had been co-opted on to the Board and sought formal election.

Members were given the opportunity to cast their vote by ballot before the meeting commenced. The results confirmed that Colin Lawrence, John MacLennan Whitfield and Graham Strachan were duly elected. The Acting Chairman thanked all candidates for standing.

6. Any Other Business

None.

The meeting closed at 7.21 p.m.

Signed as a true record of the meeting:-

Garry Coutts

Garry Coutts
Acting Chairman