

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 26 June 2013 at 6.30 pm

Present: Total 14 members

Directors : Colin Lawrence (Chairman)
John MacDonald (standing for election at this AGM)
Malcolm Moss (standing for election at this AGM)
Graham Phillips
John Whitfield (Board Secretary)
Ian Whyte (retiring at this AGM)

Members: Scilla Aitchison
Macdonald Allan
Alastair Gilchrist
Isabella Gilchrist
James Holm
Marian Horrocks
Shirley Pearson
Roger Williamson

Falck: Euan Fraser

Voting: Postal (including electronic) votes were received from 59 Members, including 13 appointing the Chairman to vote on their behalf.

Apologies: Total 8

Directors: Nigel Jones (standing for election at this AGM)
Graham Strachan (retired from board in February 2013)

Members: Christine Mounsey
Margaret Peacock
Norman Peacock
Anne Robinson
Tom Robinson
Claire Wigg

1. Introduction

The Members were welcomed by the Chairman, Colin Lawrence, to the fifth AGM of the Kilbraur Wind Energy Co-operative (KWEC). Colin reminded those attending of the importance of supporting the AGM, which provided an update to members on performance of the wind farm and noted that without a valid AGM the business of the Co-op could not be conducted.

2. Chairman's Presentation

Colin reported that 2012 had been the first full-year of the extended 27-turbine wind farm and that the return based on our £1.6million investment had been 8.63%. This return was lower than in 2011, which had been our best year to date, but higher than previous years and the 8.63% was around the average annual return so far and still represented a good return in the current economic climate. The main reasons for the lower return had been lower than budgeted average wind speeds and a reduction in the price of wholesale electricity. Colin outlined the measures that the board continued to take to maximise the return available to the members, chiefly by keeping costs as low as possible. The board closely monitored wind farm production and had completed an updated Service Agreement with Energy4All (E4A). The board had introduced a Share Transfer Policy to clarify the terms under which shares could be transferred.

The membership numbers had remained fairly stable, reducing from 528 to 524. Combined with a current sum of around £60,000 offered by existing members available for the purchase of any excess shares, Colin felt that 5 years into a 25 year project, the system looked fairly sustainable. Colin reviewed how the £12,000 development fund had been used in the early years of the Co-op to support local primary schools and the Highland Hospice. Colin thanked his fellow directors for their work and noted the departure of 3 directors but was happy to welcome three new directors at the AGM, resulting in an optimum board size of six. Colin noted that a recent business plan from Falck had indicated their intention to sell up to a 49% interest in their UK wind farms, including Kilbraur Wind Energy Limited in which KWEC had its stake, by the end of 2014. Falck have indicated that they see no reason why this should have an adverse impact on KWEC, but the board would continue to keep in touch with Falck and E4A over the next year and inform Members of any significant developments.

3. Presentation by Euan Fraser (Falck Renewables Wind Ltd)

Euan gave the usual fascinating summary of a year in the life of a wind farm. He started with a summary of Falck's wider operations and noted that the sale of a minority stake in the wind farm would not result in any changes to the management of the wind farm which would continue to be run by him from Dochgarroch near Inverness. Euan confirmed that the year had seen lower than hoped-for wind speeds but noted that curtailment income from outages imposed by the grid operator to manage capacity on the grid and upgrade work had added around 4.1% of the budget over the year from a total of 374 hours of outages (equivalent to 15 days of operation). Falck continued to work closely with Nordex, the turbine manufacturer, to ensure the optimum running of the machines and the performance overall had been very close to the guaranteed 97% availability for the year. Survey work was currently under way to ensure that all defects were identified and rectified before the end of the first five year contract with Nordex which expires in 2014. Negotiations were under way for the next 3 to 5 year period from February 2014.

4. Presentation by John Whitfield on Key Income Variables

John provided a brief report on the main sources of income for the co-op. John started with some background in relation to government policy and presented charts showing the progress to date towards the Renewable Obligation (RO). The success of the renewables (mainly wind) industry in approaching the mandated target share from renewables for electricity generation had resulted last year in a significant reduction in 'spare' or 'recycled' Renewable Obligation Certificates (ROCs) which had led to a significant drop in the Co-op's income from these. The reduction in the wholesale price of electricity in 2012 had also had an impact on our total income for the year. The changes to these variables were beyond the control of the KWEC board, but we would continue to monitor the figures and keep the membership informed in the future.

5. Questions

Members asked a number of technical questions in respect of the content of the presentations.

6. Motion 1: To approve the minutes of the Annual General Meeting held on 27 June 2012 (circulated July 2012).

The motion was proposed by Ian Whyte, seconded by Alastair Gilchrist and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 52 For; 0 Against; 7 Abstentions.

7. Motion 2: To receive and adopt the Report of the Directors and the Annual Accounts for the period ended 31 December 2012 together with the Report of the Auditors thereon.

The motion was proposed by Scilla Aitchison, seconded by Roger Williamson and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 57 For; 0 Against; 2 Abstentions.

8. Motion 3: To re-appoint the firm of Melville & Co, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting.

The Chairman, Colin Lawrence, reminded the meeting that the Board had investigated the possibility of appointing a local firm and had concluded that, as the annual audit is funded by E4A at no cost to the Co-op and Melville & Co is appropriately qualified and has considerable experience in auditing the accounts of co-operatives, it was neither practical or financially viable to appoint a local firm.

The motion was proposed by Malcolm Moss, seconded by Isabella Gilchrist and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 55 For; 2 Against; 2 Abstentions.

9. Motion 4: To approve the distribution of the surplus funds for the year (the operating profit together with any other income) by way of Share Interest. A share interest statement will be provided with each cheque payment.

The motion was proposed by Ian Whyte, seconded by Scilla Aitchison and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 55 For; 1 Against; 3 Abstentions.

10. Motion 5: To re-elect Colin Lawrence as a Director of the Co-op.

The motion was proposed by Malcolm Moss, seconded by Alastair Gilchrist, and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 58 For; 0 Against; 1 Abstention.

11. Motion 6: To elect Nigel Jones as a Director of the Co-op.

The motion was proposed by Graham Phillips, seconded by Scilla Aitchison, and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 53 For; 1 Against; 5 Abstentions.

12. Motion 7: To elect John MacDonald as a Director of the Co-op.

The motion was proposed by Shirley Pearson, seconded by James Holm, and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 53 For; 2 Against; 4 Abstentions.

13. Motion 8: To elect Malcolm Moss as a Director of the Co-op.

The motion was proposed by Graham Phillips, seconded by Shirley Pearson, and was carried unanimously at the meeting. Postal/proxy votes (including 13 Chair votes) cast were 53 For; 2 Against; 4 Abstentions.

14. Any Other Business

There was no other business. The meeting closed at 7:45 pm.

Signed as a true record of the meeting:



Colin Lawrence
Chairman