

Westmill 2018 AGM

19th May 2018



Westmill AGM 2018

- Approval of the Minutes of 2017 AGM
- Report of Directors and accounts
- Turbine performance (Richard Lord)
- Appointment of auditors
- Distribution of profit
- Election of Directors
- Communications including WWF 10 year anniversary event (Sarah Heath)
- Close formal business
- Q&A

Item 1. Introductions

- Board members
- Prior information on website
 - Minutes of 2017 AGM
 - Accounts
 - Annual report, agenda, and summary of accounts
 - WeSET report

Item 2.

Motion 1: Minutes from 2017 AGM

- Proposer,
- Seconder
- Amendments
- Votes in the hall

Item 2.

Motion 1: Minutes from 2017 AGM

Postal/Online votes

- For: 113
- Against: 1
- Abstain: 17

- Chair To Vote: 38

Item 3. Accounts to October 2017

- The main documents already circulated
 - Annual Report – including key impacts on WWF's income
 - Summary Profit & Loss & Balance Sheet
 - Full Audited Accounts – available from members' area of website

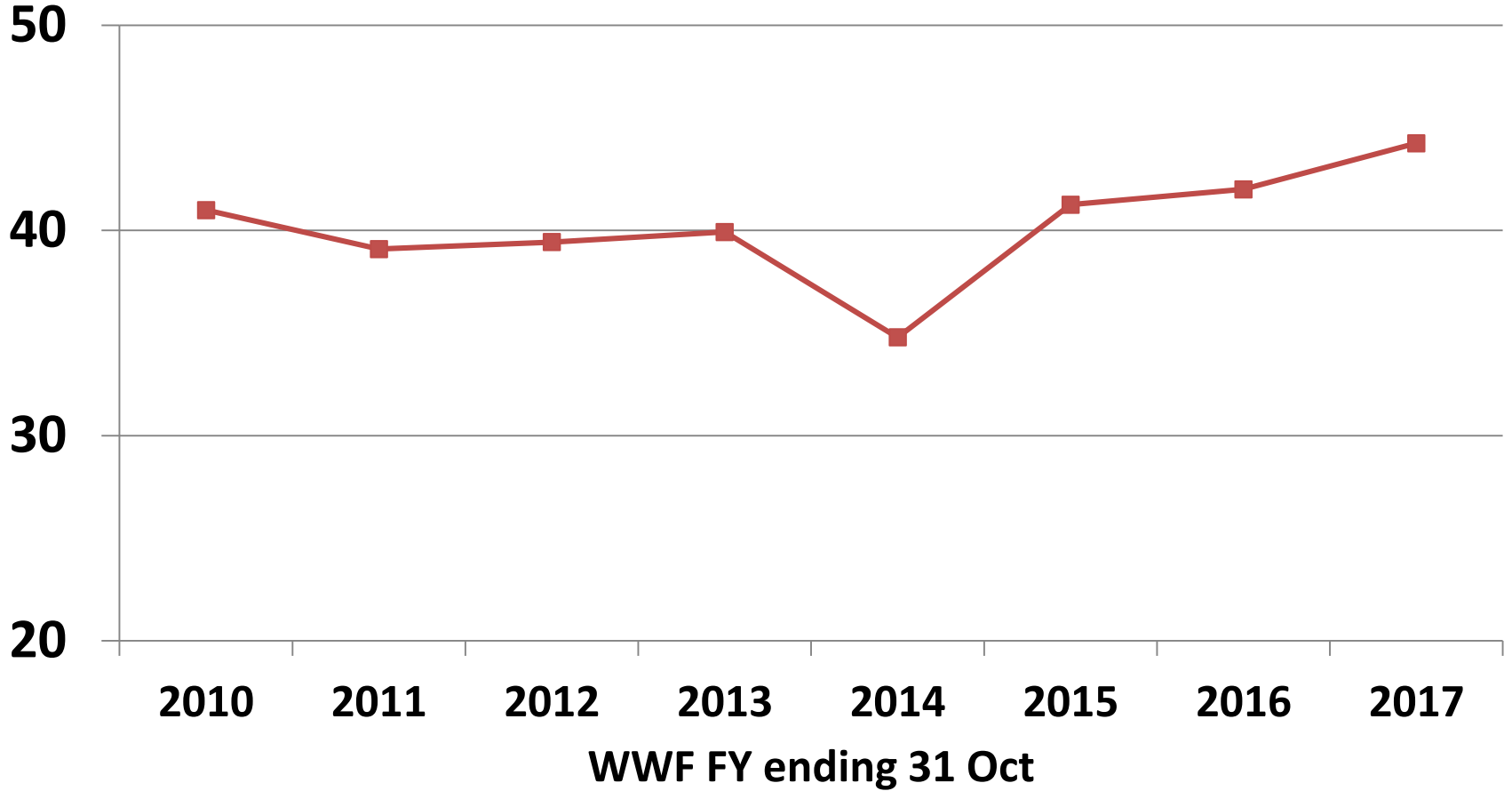
Main Activities

- Maintaining high performance from WWF (middle age) turbines - Richard Lord discuss later
- Maximising the support and effectiveness of Administrative support - renewed E4All contract from 1 Apr 18 for 5 years
- Maximising Power purchase agreements with a “green” supplier– all 5 turbines with Coop Energy
- Controlling our operational costs (£31k saving)
- Paying off Coop loan (*now £1M owed from £3.88M*)
- Improving communications both with members and local community – Sarah Heath discuss later

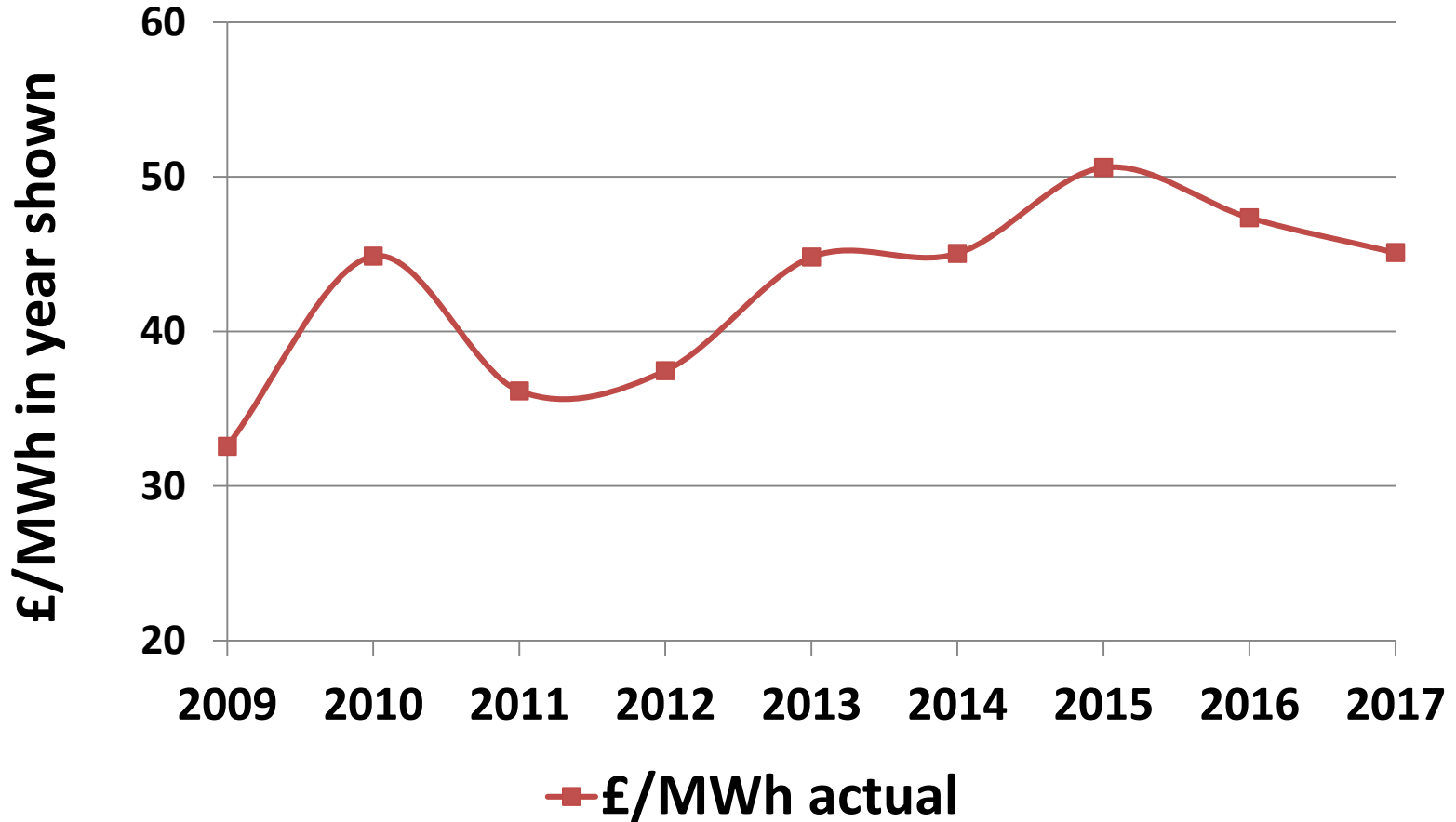
Key Drivers for our Net Income

- Wind strength and direction (*outside our control*)
- Power purchase agreements for electricity generated (*tender process*)
- Keeping the £324 thousand per year (~30% of our income) on operating and overhead costs to a minimum consistent with continued acceptable performance of turbines and financial prudence

WWF Price from ROC in year shown £/MWh



WWF Wholesale Prices



Profit and Loss Account

	2015-16 £	2016-17 £
Turnover	1,076,241	950,759
<u>Less</u> Cost of sales	615,613	623,027
<u>Less</u> Overheads	65,035	62,810
<u>Plus</u> Other income	4,623	2,759
<u>Less</u> loan interest	135,677	105,967
<u>Less</u> Tax paid	6,261	782
<u>Equals</u> profit on ordinary activities	<u>258,279</u>	<u>160,932</u>

Cost of Sales

	2015-16 £	2016-17 £
Operation and maintenance	150,128	166,126
<u>Plus</u> Rates	44,580	21,020
<u>Plus</u> Turbine Insurance	21,257	41,272
<u>Plus</u> Depreciation	356,579	356,579
<u>Plus</u> Other (incl. royalty payments & rent)	43,069	38,030
Total	<u>615,613</u>	<u>623,027</u>

Balance Sheet

	2016 £	2017 £
Fixed assets	4,813,400	4,457,411
<u>Plus</u> Current assets	1,126,531	972,171
<u>Less</u> Current creditors	768,776	695,168
<u>Less</u> Long term creditors	1,240,165	802,642
<u>Less</u> Provisions	41,476	42,258
<u>Equals</u> Shareholders funds	<u>3,889,514</u>	<u>3,889,514</u>

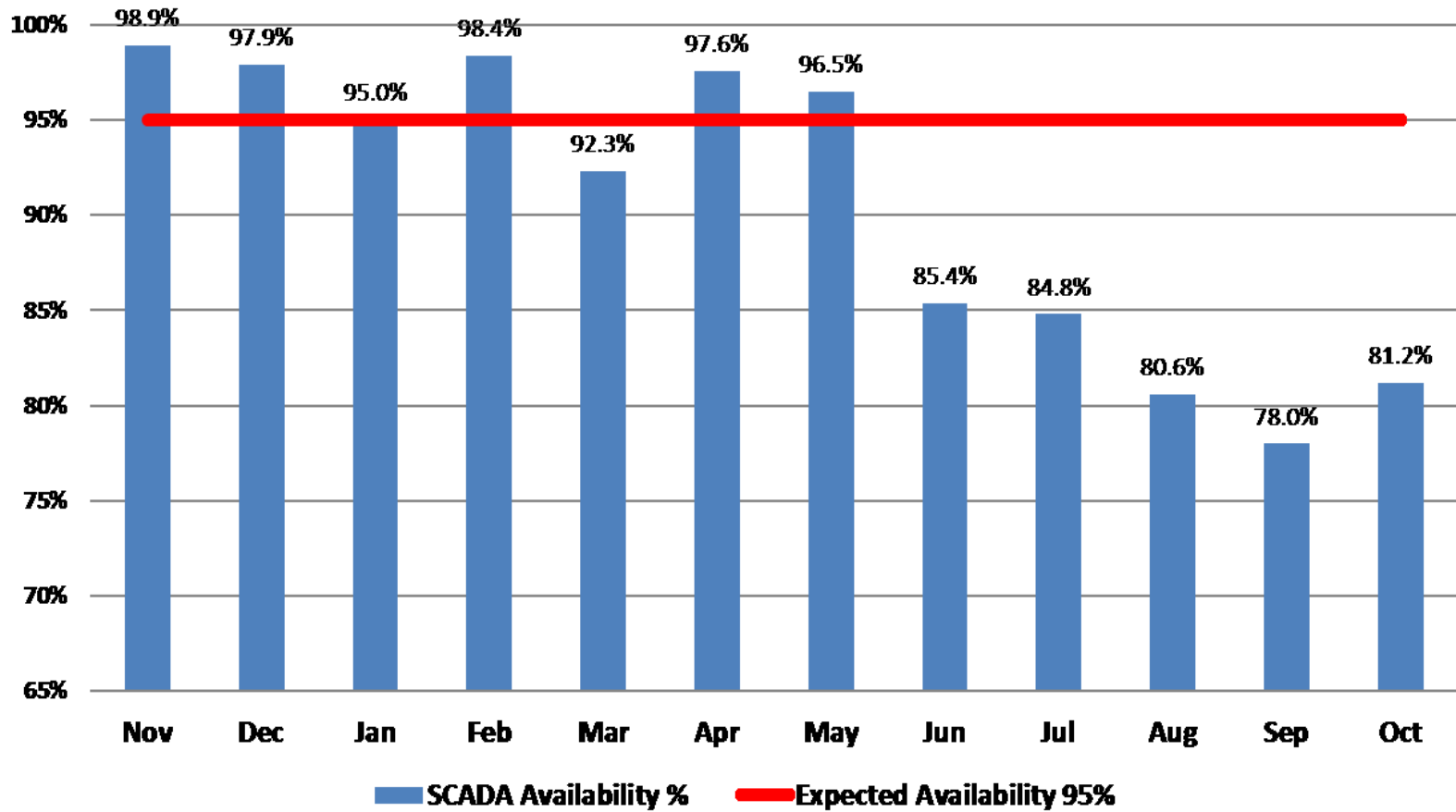
Turbine Performance

Richard Lord

- Accounts show that costs of Spares for turbines have increased in last 3 years
- Carry spares on site to shorten the downtimes of the more common failures
- Availability of the wind farm until June 2017 was similar to all historic performance (better than 95% on an annual basis) but abnormal since then for.....

Westmill Turbine Availability

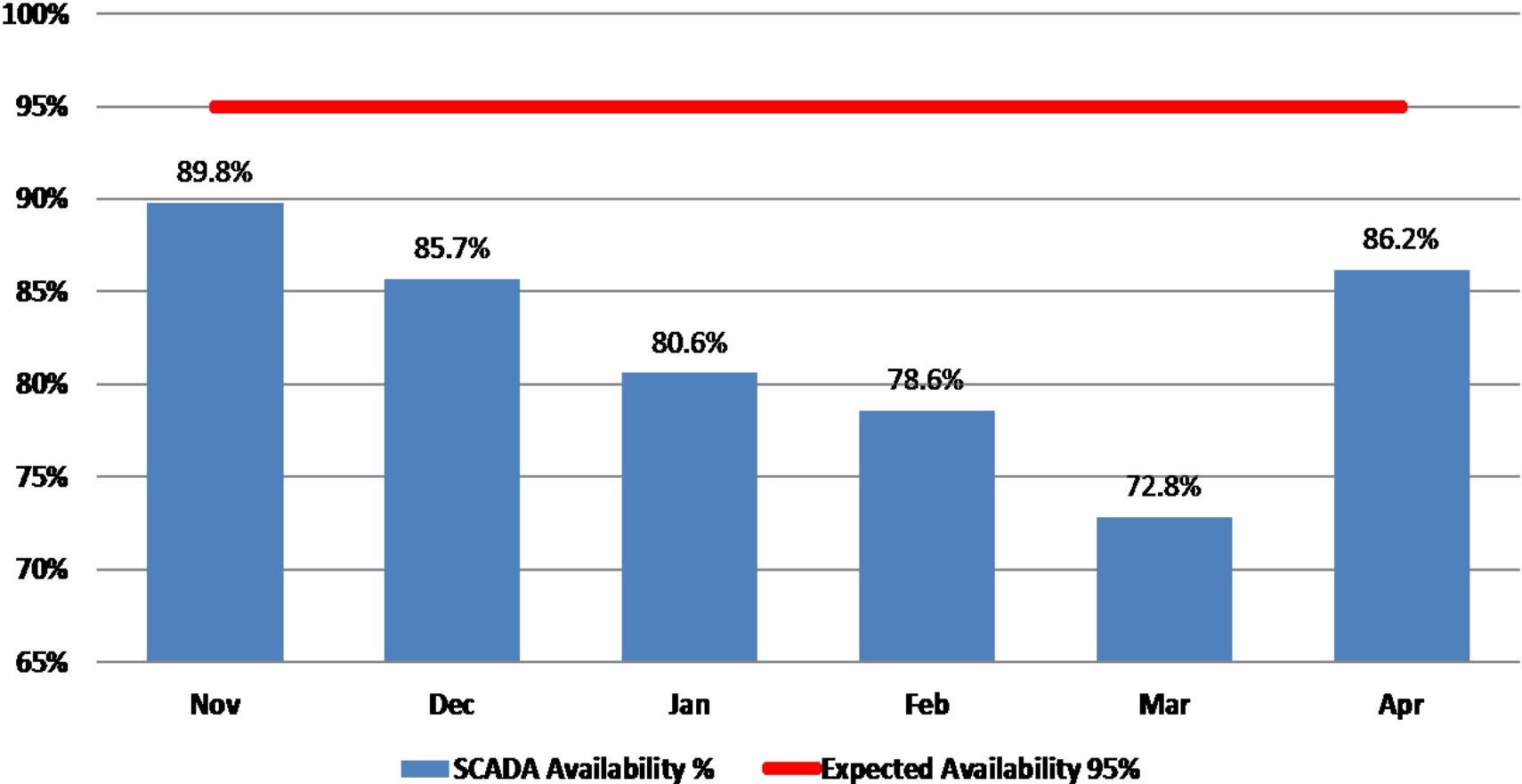
Nov 2016 to Oct 2017



Average 90.6%

Westmill Turbine Availability

Nov 2017 to Apr 2018



Average 82.3%

Main problems causing poor availability

- Yaw motor failure on two turbines – anticipated; paid using previous financial provision £30k
- Unusual and not expected problems with control electronics for 2 turbines – gave rise to intermittent & unpredictable faults
- The Board contacted Siemens (original machine builder) to investigate
-
- *Richard – please change any of the above and insert any additional slides you wish to present here. Then presentation reverts to me.*

Changes FY 2016/17 to 2017/18

- **Electricity production - DOWN (only 80% of what we expect to end of April)**
- Price of sold electricity unit – slightly up
- **Expected costs of turbine parts/repairs -** slightly up £10k but now have spare yaw motors
- Co-op loan interest payment – DOWN £29.7k ✓
- Other annual costs down by £13k

Item 3.

Motion 2: Receive & adopt accounts and auditor's report

- Proposer
- Secunder
- Votes in the Hall

Item 3.

Motion 2: Receive & adopt accounts and auditor's report

Postal/Online votes

- For: 125
- Against: 2
- Abstain: 4

- Chair To Vote: 38

Item 4.

Motion 3: Appointment of Auditors

- Proposer
- Secunder
- Votes in the Hall

Item 4.

Motion 3: Appointment of Auditors

Postal/Online votes

- For: 122
- Against: 4
- Abstain: 5

- Chair To Vote: 38

Item 5.

Motion 4: Approval of Distribution of Profit (Share interest)

- Proposer
- Seconder
- Votes in the Hall

Item 5.

Motion 4: Approval of Distribution of Profit (Share interest)

Postal/Online votes

- For: 124
- Against: 3
- Abstain: 4

- Chair To Vote: 38

Item 6.

Election of Directors

125 votes were cast in favour.

Sarah Heath has been elected as WWF
Director

Need a director with commercial and/or
technical wind farm experience

Close of Formal Business



Key Variables to Maximise Returns

The key variables are to:

- hope for a rise in the wholesale electricity price
- keep the turbine availability at historic levels to maximise available wind generation
- Pay off Co-operative Bank outstanding loan asap (regularly ask Coop Bank but they always want to charge full value of loan & interest plus administration costs)
- Match depreciation period to our ROC income period from November 2018 till February 2027
- Continue to control our costs

Anticipated Impact on Members' Return

- **No** years of financial loss although **interest paid** to members will be 2-3% gross for next 5 years (if EIS relief 2.5%-3.75% gross)
- **By starting earlier return** of capital to members from next decade can return all members initial capital
- **Combined return to Members is significantly greater** as capital returned is not subject to income tax

Improving Communications with Members & Local communities – Sarah Heath

- Review of WWF website to make it more engaging and easier to navigate
 - Easier for members to find the information they need
 - More information for the local community and for schools on the background to WWF and how to visit
- Regular newsletters for members and the local community
 - Updates on recent developments with WWF, and from the wider community energy and wind sector
 - Distribution within the local community and schools
- Five local schools to become WWF members

Celebrating WWF's 10th anniversary

Join us to celebrate
10 Years of Wind

over Westmill Wind & Solar Farm
Saturday 16th June 2018 Noon - 5pm

Take a site tour

See inside an 81m wind turbine!

Giant Kite Show

Bouncy Castle

& Treasure Trail

Live Music

Hot Foods

Hands-on fun:

Black smithing

Kite making

Pedal antics

Local Ales

& more



FREE entry

& activities

All welcome



Visit
us on Facebook:
facebook.com/groups/westmill/about

Closing Remarks

- Grateful for your attendance today & questions/comments
- Next WWF Board meeting will discuss all these and also your feedback forms
- Please give us your feedback comments now or e-mail them to tammy@e4all.co.uk asap
- Many thanks