

**Isle of Skye Renewables
Co-operative Ltd**

**AGM
28th April 2015**

Chairman's Report

Additional Information

Agenda

Nominations to the Board ~ Biographical Notes

Chairman's Report – Financial Year Ending 31st December, 2014

Introduction

Once again it is nearing the time for the Isle of Skye Renewables Co-operative AGM which this year takes place on Tuesday 28th April, 2015 at 7pm in the Highland Council offices, Tigh na Sgìre, Park Lane, Portree. I look forward to welcoming as many of you as possible and would remind you that refreshments will be available both before and after the formal proceedings. A brief report on our activities during the year follows and the Board would welcome a lively debate and discussion during the AGM on any relevant matters of concern.

Board of Directors

Since Annette Heslop's letter to you all of 29th January, Michael Austin has indicated that, for personal reasons, he wishes not to stand for re-election to the Board. On behalf of the rest of the Board I would like to thank Michael for his outstanding contribution to the workings of the Co-operative and wish him well in the future. His resignation makes it all the more important that we receive nominations for new Board Members so that we can have a fully functioning and broad experience-based group to look after your interests in the Co-operative.

Many of you will know that in the seven years of the Co-operatives existence Phil McCaherty has been the Minute Secretary to the Board and has kept us all in order both at Board meetings and during the AGMs. He, too, has now regrettably resigned for personal reasons and I would like to formally thank Phil for all the sterling work he has done over the years and wish him and his family all the best for the future.

May I also, on behalf of myself and the Board, thank Energy4All for their continuing support during the year.

Wind Farm Production

Output during the year was approximately 24% below budget, due to three major factors. Firstly, wind speed was below forecast in nine of the twelve months. Secondly, there were enforced grid power export limitations for which no compensation is payable. Thirdly, the generator faults reported at the end of 2013 persisted into 2014 resulting in below forecast availability. In this case, however, compensation will be due from the turbine manufacturer but details have not yet been resolved. Although the situation has greatly improved during the year we are hopeful that a permanent solution to the previous problems has been found.

Financial Performance

Income from sales of electricity totalled £121,503 (£146,419 in 2013). Profit for the year after costs and expenses was £99,513 (£109,348 in 2013), giving a return to Members of 6.55% (7.2% in 2013). Although this is disappointing, it is still a reasonable rate of return.

Development Fund

This year we have allocated £1500 for a proposed mini-hydro scheme in Elgol and fully expect to be able to provide similar funding for this, or other, schemes when the compensation payments from Enercon are confirmed. As always we are keen to hear from groups or individuals who are involved with renewable energy or other "green" projects.

Conclusion

Finally may I thank you all for your continuing investment in the Co-operative and we look forward to seeing you at the AGM on 28th April.

Steve A Shaw
Chairman
Isle of Skye Renewables Co-operative
February 2015

Additional Information

Remuneration of Directors

The Board considers it is not appropriate, given the size of the Society, to establish a separate Remuneration Committee, and these functions are carried out by the Board as a whole.

The Directors are entitled to claim £500 per annum plus reasonable expenses incurred in the performance of their duties.

Management

Energy4All Ltd, a company dedicated to developing community ownership of renewables, manages the day to day activities of the Co-op along with maintaining the members share register and financial reporting.

Income through the Royalty Instrument Agreement

The Co-op has a right to an income through a Royalty Instrument with Falck Renewables Wind Ltd.

The Royalty Instrument represents an amount paid to secure an entitlement to a share of income from electricity and environmental attributes less operating costs for a period of 25 years. The royalty instrument has a loan note element which ensures that annual investment returns do not fall below 6.5% from Falck Renewables Wind to the Co-op. The purchase price is repayable in full at the end of the term so no amortisation is provided.

Number of Current members 579

Wind Farm Production

The wind farm production from the twelve turbines is tabulated below:

2014	P50 Budgeted Output MWh	Actual Output MWh	Cumulative % of P50 forecast
January	10,110	7,504	74%
February	7,010	6,802	84%
March	8,070	6,561	83%
April	6,560	6,056	85%
May	6,120	2,730	78%
June	5,850	2,453	73%
July	5,500	4,166	74%
August	5,770	5,181	75%
September	7,720	3,488	72%
October	7,450	9,423	77%
November	9,140	5,681	76%
December	9,400	6,994	76%
Totals	88,700	67,039	

Production during 2014 was below budgeted output by 24%.

Member Share Interest Distribution

Profit 2014 = £99,513

Return on investment = 6.55%

The distribution of profits will be put before the AGM as a motion

Isle of Skye Renewables Co-operative Limited

Notice of Annual General Meeting to be held on Tuesday 28th April 2015

NOTICE is given that the Annual General Meeting of members will be held at at 7.00pm on Tuesday 28th April 2014 at the Highland Council Buildings, Tigh na Sgire, Park Lane, Portree IV51 9GP for the following purposes:

AGENDA

1. Introductions and welcome.
2. **Motion 1:** To approve the minutes of the annual general meeting held on 29th April 2014 (previously circulated 2nd June 2014).
3. **Motion 2:** To receive and adopt the Report of the Directors and the annual Accounts for the year ended 31st December 2014, together with the Report of the auditors thereon.
4. **Motion 3:** To re-appoint the firm of Melville & Co, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting.
5. **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.
6. Election of Directors:
 - Motion 5:** To re-appoint Ian MacDonald as a Director of the Co-op.
 - Motion 6:** To appoint Colin Ewing as a Director of the Co-op.
 - Motion 7:** To appoint Ralph Torr as a Director of the Co-op.

Close of Formal Business

By order of the Board
Annette Heslop,
Company Secretary
2nd April 2015

Registered Office:
The Co-operative Group, Newhouse Composite
Distribution Centre
Floor 3, 401 Edinburgh Road
Newhouse
Lanarkshire
ML1 5GH

Administration Address:
Unit 33, Trinity Enterprise Centre
Furness Business Park
Barrow in Furness
Cumbria LA14 2PN
Tel: 01229 821028

Please refer to the enclosed Form of Proxy for instructions on voting.

Nominations to the Board

The Rules allow for a maximum number of seven Board members and the board currently is made up of 5 members of whom one third must retire each year. Ian MacDonald will stand down at the AGM and has indicated he would like to stand for re-election. Colin Ewing has been co-opted onto the board and members will be asked to vote to ratify Colin at the AGM. The Co-op has received one new nomination to join the board from Ralph Torr. Members are asked to re-appoint Ian MacDonald and appoint Colin Ewing and Ralph Torr to the Board through a motion.

Biographical Notes

Retiring Director Seeking Re-election

Ian MacDonald - Portree

Ian G Macdonald is a native of Skye. He was educated at Portree High School and Glasgow University where he gained the degree of BSc Pure Science and qualified as a Science Teacher at Jordanhill College. After a number of years teaching at Inverness High School he returned to his native island where he became Principal Teacher of Chemistry and eventually Depute Head Teacher of his former school. He took early retirement in 2006 and operated Cultural, Environmental and Historical Tours for the Aros Organisation. He is a part-time crofter, Grazings Clerk for the Crofters' Commission and an Honorary Sheriff for Portree and Lochmaddy. In 2012 he was elected Crofting Commissioner for the North West Highlands and is delegated to regulate casework for Skye and six mainland parishes.

I. G., as he is better known, is passionate about all forms of renewable energy and believes that local communities have a responsibility towards their own island environment and to the wider world. He has been a director of ISRC for 5 years and wishes to stand again for a further stint. His principal interest as a director has been on promoting awareness of environmental and related issues and, of course, educational initiatives. All the Primary Schools on Skye and Raasay are involved in energy conservation and environmental projects, thanks in part, to grants from The Isle of Skye Renewables Co-op.

New Candidate

Colin Ewing – Dunvegan

Having grown up in Cheshire, I gained a degree in law from Manchester University but then pursued a career in IT and networking. I worked for major engineering and construction companies Turner and Newall and National Nuclear Corporation until the mid 1980s, then joined an independent IT consultancy, working in the UK and Europe in a wide variety of business sectors, including banking, defence and manufacturing. I lived in Strasbourg and Brussels for 5 years, working as a consultant on projects for the EU and NATO. After return to the UK, I undertook project management and project reviews for major utility companies in the UK. In 2001 I moved from Hertfordshire to Skye, having visited the island many times since the early 1970s.

Now retired, I am building my own low energy house on Skye. I am convinced that the only sustainable solution to the UK's energy dilemma is for everyone in the country to be engaged with the problem and for them to be empowered to help to solve it.

Ralph Torr - Glasgow

Engineering Manager, Innovation Engineering Team, Offshore Renewable Energy Catapult.

Ralph is a mechanical engineer by qualification and has spent most of his career to date working in specialist renewable energy consultancy in Scotland and the US. Initially Ralph's focus was assessing wind farm performance pre and post construction. Latterly Ralph's role focused on providing advice to owners, lenders and investors and wind farm performance assessment and the associated contractual issues. For the last year Ralph has been working at the UK's Offshore Renewable Energy Catapult. His role there is leading a team of engineers to deliver innovation services to a wide range of academic, private and public sector organisations - from large utilities to university spinouts. The techno-commercial role has further

enhanced Ralph's knowledge of wind farm development and operation and also the benefits this industry is bringing to the UK - economically, socially and environmentally. Ralph is currently completing a part-time Masters of Business Administration (MBA) at the University of Strathclyde's Business School in Glasgow.

Both inside and outside of work Ralph has an active interest in sustainability, low carbon technologies and renewable energy. He firmly believes these industries offer both economic, social and environmental benefits to Scotland, the UK and the rest of the world. On a personal note, Ralph enjoys running, cycling, walking and open water swimming. He also regularly volunteers at associated events.

In summary, Ralph has a sound technical and commercial understanding of how large scale wind energy projects are developed and operated which would be a significant asset to the Isle of Skye Coop. However, more importantly, Ralph offers enthusiasm and innovative ideas for how the Coop can deliver maximum economic, social and environmental benefits to its members and the wider community.