

# M&S Energy Society

## AGM 23<sup>rd</sup> March 2021

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**Two Rivers Community Energy Society Limited (trading as M&S Energy Society)**  
**Chairman’s Report to Members - Year ending 30<sup>th</sup> September 2020**

I am pleased to make my report to members of M&S Energy Society (the “Society”). This report principally covers the financial year ending on 30 September 2020 which was our fourth full year of trading.

We will be holding our AGM at 6.00pm on Tuesday 23rd March 2021 via Zoom meeting, joining details of which you will receive. I do hope you can attend.

**2019/20 Financial Performance and Accounts**

In the financial year to 30<sup>th</sup> September 2020 we generated about 739,498kWh of renewable electricity, all of which was used by the host M&S stores. This has reduced location-based carbon emissions by about 259 tonnes (using the grid average for carbon through reducing gas fired electricity generation – which is what our solar panels do).

Generation in 2019/20 is 6.75% up on last year, most stores performing better or in line with the previous year, and in aggregate performing almost exactly in line with the original overall target. Truro was affected by inverter issues in the spring, and the lower generation at Hayle is being investigated, but may just be down to local weather conditions. We are continuing to work with Joju Solar and M&S to identify generation issues as they arise. As reported last year Cheshunt and Torbay repairs have resulted in excellent generation results this year.

Details of generation by store are set out in the table below:

Site	2019/20 budget in kWh	<b>2019/20 actual in kWh</b>	2018/19 actual in kWh	2019/20 % of budget achieved
Banbury	43,850	<b>41,086</b>	41,114	94%
Cheshire Oaks	45,350	<b>47,391</b>	45,929	105%
Cheshunt	131,380	<b>137,3966</b>	99,898	105%
Hayle	212,000	<b>202,843</b>	207,037	96%
Hempstead Valley	95,872	<b>100,313</b>	95,907	105%
Longbridge	40,650	<b>43,630</b>	41,592	107%
Torbay	89,000	<b>86,817</b>	78,036	98%
Truro	91,800	<b>80,021</b>	83,152	87%
Total	749,902	<b>739,498</b>	692,664	99%

The early numerous teething problems seem to be behind us for the time being and our financial performance remains strong and we have delivered to members the target interest payments and will be repaying members their investment in the Society in accordance with the original plans. The Society continues to contribute to on site renewable energy for M&S and with the share capital being repaid thereby reducing interest levels, we are in the early stages of building up the community benefit fund which is a key part of the Society’s mission.

**Payment of share interest to members**

Financial performance for the year has been very similar to last year. We paid interest to our members at the rate of 5.49% for the year, in accordance with our original target. We paid this interest in October 2020. Interest was paid on members’ shareholdings before the effect of redeeming share described below.

## **Generation to date**

At the end of December 2020, total generation since the project commenced exceeded 2,940MWh, all of which had been used by M&S. This is a real achievement and demonstrates the success of this initiative.

## **Other developments during the year**

The Board would like to thank all our partners for working with us in very challenging circumstances in 2020. The Board continues to monitor and meet via virtual platforms. The Society remains unaffected by the Covid 19 pandemic financially. However there have been operational challenges which have been met by our suppliers.

## **Redemption of shares**

We will continue to return capital to members annually, as described in the share offer. Following last year's 5% redemption we will continue to target redeeming 5% annually for the next 16 years. Members received last year's redemption in line with their requested level of return in December 2020. Over the life of the project we intend to continue to redeem about 5% of our share capital each year and return that money to members, giving priority to those who wish to redeem some or all of their shares and redeeming the balance of shares in proportion to members' shareholdings.

Occasionally we anticipate receiving requests to redeem small numbers of shares. Members' circumstances can change, and members may wish to redeem at short notice. At the Board's discretion and cash permitting, we propose that we will permit members to withdraw up to £1,000 of shares each per year on request. Larger sums will be dealt with by the annual withdrawal procedures described above. Interest will not be paid on shares withdrawn during a financial year under this arrangement.

## **Community Benefit**

As outlined previously one of our aims is to provide a fund for community benefit preferably in the areas surrounding each store.

Each redemption of shares helps to build up of these funds as a result of the lower interest payments. This is expected to grow year on year and we will be seeking ideas from members as to how these community projects can achieve maximum positive impact.

We are already benefitting the community as whole by reducing the use of carbon and generating renewable energy for commercial premises.

## **Further information about the Resolutions to be proposed at the Annual General Meeting**

**Motion 1:** *to approve the minutes of the Annual General Meeting held on 24<sup>th</sup> March 2020.*

The minutes are available on our web site. If you'd like a set to be posted or emailed to you, please let me know.

**Motion 2:** *to receive and adopt the Report of the Directors and the unaudited financial statements of the Society for the year ended 30<sup>th</sup> September 2020, together with the report of the accountants thereon.*

Further information about the accounts is given above.

**Motion 3:** *to re-appoint the firm of Melville & Co, Chartered Accountants, as the appropriate person to make a report on the accounts and balance sheet of the Society for the Society's year of account ending 30<sup>th</sup> September 2021 at a fee to be agreed by the Board.*

Melville & Co are local to Energy4All and are experienced in advising and reporting on the accounts of energy co-operatives such as your Society. The Society's financial books are being maintained by Energy4All for us at their Barrow office, so having accountants local to that office is more cost effective. Melville & Co are very competitively priced, which is also important. We recommend that they be re-appointed. They will also assist the Society on its tax computations and returns and will make the Society's tax return and capital allowances claims for the year ending 30<sup>th</sup> September 2020.

**Motion 4:** *to disapply the obligation of the Society to appoint auditors pursuant to Section 84 of the Co-operative and Community Benefit Societies Act 2014 so that an audit of the accounts of the Society shall not take place for the Society's year of account ending 30<sup>th</sup> September 2021.*

A similar motion was approved last year, and in consequence the accounts presented to you this year for approval have been reviewed and reported on but not audited by the Society's accountants, Melville & Co. The Board does not consider it is appropriate to incur the additional cost of an audit (about £1,500-2,500) for such a small and comparatively straightforward business and the additional expense of an audit has not been budgeted.

It is for the members to decide each year whether to have an audit or a review and report.

**Motion 5:** *to reappoint Tom Raftery as a director of the Society.*

One third of the Board (apart from the M&S co-opted member) retire each year. This year Tom Raftery is retiring by rotation and I am pleased to report that he has agreed to stand for reappointment. No other members applied to stand as directors. More information about Tom is given in the document headed "Nominations to the Board".

**Motion 6:** *To approve the Board's share redemption policy described in the Report to Members dated 24th February 2021.*

This background to and details of this proposal is described above.

If you are unable to attend the AGM, I do urge you to participate by voting electronically on the motions by visiting the members section of the Society's web site.

The project is still challenging at times, but huge thanks are due to all those involved who make it possible, in particular the teams at M&S, Joju Solar and Energy4All. In particular Energy4All have continued to provide considerable valuable support during the current pandemic. I would also like to thank all my fellow board members who have contributed so much, as volunteers, to help to consolidate the project to ensure it delivers both the carbon saving and community benefit outcomes which are at the core of the Society's mission.

Yours sincerely

Mariana Spater  
Chair, M&S Energy Society  
24<sup>th</sup> February 2021

**Two Rivers Community Energy Society Limited  
(trading as M & S Energy Society)**

**Notice of Annual General Meeting to be held on  
Tuesday 23<sup>rd</sup> March 2021  
By Zoom video conferencing**

**NOTICE** is given that the Annual General Meeting of members of the Society will be held at 6pm on Tuesday 23<sup>rd</sup> March 2021 by zoom video conferencing for the following purposes:

**AGENDA**

1. Introductions and welcome.
2. **Motion 1:** To approve the minutes of the Annual General Meeting held on 24<sup>th</sup> March 2020.
3. **Motion 2:** To receive and adopt the Report of the Directors and the unaudited financial statements of the Society for the year ended 30<sup>th</sup> September 2020, together with the report of the accountants thereon.
4. **Motion 3:** To re-appoint the firm of Melville & Co, Chartered Accountants, as the appropriate person to make a report on the accounts and balance sheet of the Society for the Society's year of account ending 30<sup>th</sup> September 2021 at a fee to be agreed by the Board.
5. **Motion 4:** To disapply the obligation of the Society to appoint auditors pursuant to Section 84 of the Co-operative and Community Benefit Societies Act 2014 so that an audit of the accounts of the Society shall not take place for the Society's year of account ending 30<sup>th</sup> September 2021.
6. **Motion 5:** To reappoint Tom Raftery as a director of the Society.
7. **Motion 6:** To approve the Board's share redemption policy described in the Report to Members dated 24th February 2021.
8. Any other business.

**Close of Formal Business**

By order of the Board  
Annette Heslop,  
Company Secretary  
24<sup>th</sup> February 2021

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**To cast your vote please log in to the members' area [here](#) and click Vote**

## **Nominations to the Board**

The Rules allow for a maximum of nine Board members. The Board currently consists of four members, one of whom, in accordance with the rules, is required to stand down at the AGM. Tom Raftery is the director who is standing down at this Annual General Meeting and is seeking re-election. The board has not received any nomination to join the Board from members. A competitive ballot is not required as the total number of Board members will not exceed nine. Members are asked to re-elect Tom Raftery.

### **Retiring Directors Seeking re-election**

#### **Tom Raftery**

Tom is the Solar PV manager for Bauder Ltd, a business specialising in the manufacture, design and installation of flat roofs and solar PV solutions for flat roofs. In addition to Solar Panels Tom has extensive experience in installing flat and green roofs. He was involved in Transition Town Berkhamsted's Solar Panel offer, which, in partnership with Energy4All, installed a community-funded solar array on the local secondary school, and he has been involved in a number of other community-funded solar schemes.