



ANNUAL GENERAL MEETING
to be held at
Lifeways, 30 Albany Road,
Stratford-upon-Avon CV37 9PG
on Saturday 1 June 2013 at 11.00am

AGENDA

1. APOLOGIES FOR ABSENCE

2. APPOINTMENT OF TELLERS

3. MINUTES OF ANNUAL GENERAL MEETING HELD ON 22 MAY 2012

Attached

- Approval as a correct record
- Matters arising (where not on agenda)

4. RESOLUTIONS

Resolution 1: To RECEIVE the report and accounts of Community Energy Warwickshire Limited for the year to 31 December 2012

Attached

The directors will report on the year's activities, followed by a question-and-answer discussion.

Resolution 2: To RESOLVE that, as provided by Rules 60(b) and 60(c) of the Rules of Community Energy Warwickshire, the members shall not require an audit of the accounts for the year to 31 December 2012, having regard to the fact that during that period the Society met such criteria regarding low levels of income and/or expenditure or other factors as to qualify it for statutory exemption from the need to appoint qualified auditors.

Resolution 2 asks members to allow Community Energy Warwickshire to disapply the requirement to undertake a full professional audit for the year to 31 December 2012. For more detail, please see the note on page 3.

Resolution 3: To APPROVE charitable donations of £500 to each of:

- the League of Friends of Warwick Hospital (charity no. 1027400)
- the League of Friends of Stratford-upon-Avon Hospital (charity no. 215843)
- the League of Friends of Royal Leamington Spa Rehabilitation Hospital (charity no. 505765)
- the League of Friends of the Shipston-on-Stour Hospitals (charity no. 503010)

Resolution 3 asks members to approve charitable donations in furtherance of Community Energy Warwickshire's community benefit obligation. For more background, including an explanation of the rules relating to the application of financial surpluses, please see the note on page3.

Resolution 4: To RE-ELECT Barbara Cooper as a director of Community Energy Warwickshire Limited. Attached

Resolution 5: To RE-ELECT Roger Matthews as a director of Community Energy Warwickshire Limited. Attached

Resolution 6: To RE-ELECT David Wood as a director of Community Energy Warwickshire Limited. Attached

Resolutions 4, 5 and 6 ask members to re-elect to the board three serving directors who are retiring by rotation in accordance with the Rules of Community Energy Warwickshire. For more information, including the personal statements of the candidates for re-election, please see the note on page5.

Resolution 7: To ELECT Peter Pettifor as a director of Community Energy Warwickshire Limited. Attached

Rule 33 of the Rules of Community Energy Warwickshire Limited states that members of the Society may stand for election to the board and nominate other members to stand for election to the board.

Invitations to stand for election to the board were sent to members on 15 March 2013, with reminders on 26 April 2013. One member, Peter Pettifor, has indicated that he wishes to stand for election and has provided a personal statement which is set out on page 7.

5. ANY OTHER BUSINESS

A buffet lunch will be available after the AGM.

EXPLANATORY NOTES ON RESOLUTIONS

RESOLUTION 2: DISAPPLICATION OF REQUIREMENT FOR FULL STATUTORY AUDIT

The Friendly and Industrial and Provident Societies Act 1968 enables a Society to submit unaudited accounts to the Financial Conduct Authority if, in the period of accounts, its turnover did not exceed £90,000 and its total assets are below £2.8 million, provided that:

- it is not a housing association, a Society with one or more subsidiaries, a subsidiary of such a Society, a body covered by the Insurance Accounts Directive or a body which takes deposits (other than deposits in the form of withdrawable share capital); and
- the Society's Rules allow it to disapply the requirement to undertake a full professional audit; and
- the Society's membership has passed a resolution at a general meeting allowing it to disapply the requirement to undertake a full professional audit for the accounting period in question.

Resolution 2 asks members to allow Community Energy Warwickshire to disapply the requirement to undertake a full professional audit for the year to 31 December 2012 on the basis that all the above conditions are met. In accordance with section 4A of the Friendly and Industrial and Provident Societies Act 1968, the Resolution will be passed if:

- less than 20% of the total number of votes cast are against the Resolution; and
- less than 10% of the total number of members of the Society cast their votes against the resolution.

If the Resolution is passed, the accounts will be signed by the secretary and two directors on behalf of the board and submitted to the Financial Conduct Authority.

RESOLUTION 3: AUTHORISATION OF CHARITABLE DONATIONS

Community Energy Warwickshire is legally incorporated as an Industrial and Provident Society for the benefit of the community - otherwise known as a Community Benefit Society. Its objects as set out in its Rules are to carry on business for the benefit of the community by:

- a) promoting renewable energy generation and developing, installing and operating renewable energy sources;
- b) promoting sustainable use of energy and reductions in carbon emissions through the provision of advice on energy efficiency and the supply of energy-efficient products and services; and
- c) promoting public awareness of environmental and related issues and supporting educational initiatives related to renewable energy, energy efficiency and sustainability.

In accordance with the legislation governing Community Benefit Societies, Rule 65 of Community Energy Warwickshire's Rules states that:

"Members of the Society will be rewarded primarily through a social dividend rather than a monetary dividend. Any surplus generated by the Society shall be applied as follows, in such manner and in such proportion as the board may decide:

- a) in paying interest on members' share capital at such rate as may be determined by the

- board from time to time, but not exceeding the minimum rate necessary in the opinion of the board to obtain and retain the capital required to carry out the objects of the Society;
- b) to the continuation and development of the Society;
 - c) to making payments for social and charitable purposes.”

The directors’ current thinking on the application of financial surpluses to the three permitted purposes set out in the Rules is as follows.

Interest on members’ share capital

The community share offer document issued in October 2011 stated that the board expected to pay interest on members’ share capital at an initial rate of at least 3% a year, but did not expect to pay any interest on shares in the three years from 1 January 2012.

Continuation and development of the Society

In the opinion of the board, the continuation and development of Community Energy Warwickshire require the creation of financial reserves to meet the following main purposes:

- *asset replacement*: although the solar PV systems at Warwick and Stratford Hospitals are insured against mechanical breakdown, accidental damage and consequential financial losses, Community Energy Warwickshire will still need to replace certain components, such as the inverters, when they reach the end of their normal operating lives.
- *withdrawal of share capital*: Community Energy Warwickshire’s shares are non-transferable and cannot be bought and sold. Members who want their money back will therefore need to apply to withdraw their share capital. As explained in the community share offer document issued in October 2011, all shares are subject to an initial three-year retention period until October 2014, during which period share capital may be withdrawn only in exceptional circumstances - for example at the request of the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member. After October 2014, members will be able to apply to withdraw their capital by giving three months’ notice. Evidence from longer-established Societies suggests that share withdrawal rates of 10 - 15% a year are not uncommon and the directors believe that prudent reserves should be created to meet withdrawal requests. It should be noted, however, that the directors of Community Energy Warwickshire can refuse any application for the withdrawal of share capital if, in their judgment, this would jeopardise the Society’s finances.
- *start-up funding for future projects*: Community Energy Warwickshire’s ambition is to be a going concern with a portfolio of renewable energy projects. Although such projects will primarily be financed from the proceeds of future community share offers, financial provision needs to be made for the costs of preparatory work such as feasibility studies and energy performance assessments.

Payments for social and charitable purposes

As noted above, Community Energy Warwickshire’s legal status as a Community Benefit Society requires it to carry on its business for the benefit of the community rather than to produce monetary rewards for its members. Currently, however, the Society has no formal mechanism for determining how payments for social and charitable purposes should be made from financial surpluses.

One idea put forward at the 2012 AGM was that Community Energy Warwickshire should establish a linked registered charity, with objects similar to the Society’s own, which could take responsibility for the discharge of our community benefit obligation - for example by making grants for energy

efficiency improvements in communities where our projects are located and/or providing small bursaries for trainees on appropriate energy-related courses. It was suggested that an associated charity could also potentially provide a “home” for shares donated or willed to Community Energy Warwickshire by members, thus helping to conserve share capital as well as meeting our community benefit obligation.

Having investigated this idea in more detail, the directors believe that a possible way forward may be to establish a charitable trust using the Model Trust Deed developed for this purpose by the Charity Commission. The Charity Commission’s guidance indicates that a charitable trust is likely to be appropriate in circumstances where the charity will function as a grant-making body only, will be straightforward to administer and will not have a membership separate from its trustees.

As a condition of registration by the Charity Commission, an organisation must have an annual gross income of at least £5,000. Based on results for the 2012 financial year, the board believes that it will be possible to guarantee that Community Energy Warwickshire will be in a position to allocate £5,000 annually for charitable purposes from 2014 onwards. On this basis, and assuming no unforeseen adverse changes in the Society’s trading position, the board’s current expectation is that a resolution seeking members’ approval for the incorporation of a charitable trust will be brought to the 2014 AGM.

As an interim measure, the directors are recommending that one-off charitable donations totalling £2,000 should be made from the financial surplus recorded in the 2012 financial year to the Leagues of Friends at each of the four hospitals managed by South Warwickshire NHS Foundation Trust. Leagues of Friends are volunteer-run charities, independent of the NHS, which raise funds to support patients, staff and visitors providing services such as hospital shops, library trolleys and fundraising for specialist equipment. In making this recommendation, the directors believe that the proposed donations will, if approved, be of direct benefit to people in the communities served by our key partner and will thus help to discharge our community benefit obligation.

RESOLUTIONS 4, 5 AND 6: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

Rule 32 of the Rules of Community Energy Warwickshire Limited states that one-third of the directors should retire at each AGM. The directors to retire should be those longest in office since their last election, but where more than a third of the directors have been in office for the same length of time, the directors to retire are to be selected by lot. A retiring director is eligible to stand for re-election to the board.

The current CEW directors who have been longest in office are Chris Begg, Barbara Cooper, Roger Matthews and David Wood, all of whom were elected to the board at the AGM held on 4 May 2011. The three directors selected by lot to retire at the 2013 AGM are Barbara Cooper, Roger Matthews and David Wood. Chris Begg will retire at the 2014 AGM, together with two further directors selected from those elected after May 2011.

Barbara Cooper, Roger Matthews and David Wood have all indicated that they are willing to continue to serve as directors if re-elected. The personal statements of each candidate for re-election are set out below.

Barbara Cooper

I am a Fellow of the Institute of Chartered Secretaries and Administrators and hold a Master's

degree in corporate governance. I worked for over 20 years in the electricity industry and was directly involved in the privatisation process and in numerous corporate and financial transactions thereafter, in the UK and USA. Since 2003, I have been self-employed as a consultant and interim manager specialising in boardroom governance and organisational effectiveness. Clients include NHS organisations aspiring to (or struggling with) Foundation Trust status. In a voluntary capacity, I am a founder member and secretary of Transition Stratford and an active volunteer for the Warwickshire Master Composter scheme.

I helped to organise the conference in June 2010 which led to the creation of CEW and have served as its company secretary and as a director since the inaugural general meeting in February 2011. It has been a steep learning curve, but I hope I can continue to contribute to CEW's development for the benefit of our local communities.

Roger Matthews

Self-employed management consultant, working with range of clients – mainly public sector – on strategic and operational planning. Projects have included climate change and health improvement programmes. Previously employed in senior management positions in Audit Commission, local government and voluntary sector.

Treasurer of Transition Stratford and main Transition Stratford organiser for its Harvest Share scheme.

Other voluntary roles: trustee of Act on Energy, convenor of Fairtrade Stratford, member of Stratford Timebank steering group.

MBA from Warwick University.

Lived in Stratford upon Avon for 16 years; before that, 4 years in Leamington Spa.

David Wood

Education: Reigate Grammar School, Reigate, Surrey. 3 A levels (A,B,B), 2 AO levels (A,B), 2 O levels (A, B) and 7 GCSE's (all A)

University: University of Warwick. BSc (Hons) Biological Sciences (2 (ii))

Professional: Chartered Accountant – qualified in 2002. Institute of Chartered Accountants in England and Wales

Work: Started out in Wildlife conservation and landscape construction. Enjoyable work for several years but poor career opportunities. Eventually left to train as an accountant.

Accountancy: Trained at South London firm, working in audit for small, owner-managed businesses and many charity clients. Post qualification a spell in internal audit for the NHS was followed by a period at a major national / international firm, BDO Stoy Hayward. This involved business development consultancy and corporate finance work – raising finance and transaction services in buying and selling businesses. Since starting a family my work has been part-time in general accountancy practice, currently settled with a small firm in Warwick.

Climate Change: I have been a believer since reading James Lovelock in the 1990s. Inactive politically for a while during career development. Currently a member of the Green Party, although

not very active. Founder member of Kenilworth Initiative on Climate Change, currently secretary

Other Community Action: Years ago a member of the Friends of Canley Ford, involved in helping to protect a local wildlife area from golf course development. Currently a parent Governor of my daughter's primary school.

Reason for acting for CEW Ltd: Many tasks within climate change action focus on marketing and communications – not my area of expertise. This co-op and the finance raising will require understanding of financial, legal and commercial arrangements. This is an opportunity to use my skills AND to gain further valuable experience to develop me as a professional accountant.

RESOLUTION 7: ELECTION OF PETER PETTIFOR AS A DIRECTOR

Peter Pettifor has provided the following personal statement in support of his candidacy for election to the board:

Background

I grew up in Claverdon near Henley in Arden and have always been interested in gardening and science and technology.

Qualifications

I have an advanced city and guilds in plumbing which I studied at Warwickshire College Leamington. I have a BSc degree in psychology and management which I attained at Aston University. I am currently studying for a HNC in organic horticulture at Pershore College. I have been on various courses at Schumacher College Totnes.

Experience

On leaving school I worked in Watkins's nursery cultivating budded roses. I then went to work as an irrigation system installer. I have worked with a variety of small building companies doing home improvements and extensions. I also travelled round the world as a guitarist street performer. On returning to Britain in 1998 I set up my own business "Stratford Accommodation" providing rooms to rent. I have built up a portfolio of rental properties which I manage and maintain myself. Over the past six years I have been continually improving the energy efficiency of my properties by filling cavities with micro polystyrene beads and fitting polyurethane insulation to all solid external walls. In 2011 I had PV panels fitted to all my properties to take advantage of the generous Feed in Tariffs then on offer. I worked briefly as a sales rep for the company that fitted the panels doing surveys and explaining the benefit of PV panels to customers. I am planning to fit solar water heating later this year.

Why I wish to stand for election

I have been interested in alternative energy since visiting the Centre for Alternative Technology in 1977. I believe that in the future we will have to learn to be self-sufficient in our energy use as we cannot rely on finite fossil fuel reserves especially when those reserves do not belong to us. I have never been a director before and believe it would be an interesting learning experience to participate in this way.

What I might be able to contribute if elected

I have many years' experience of practical work in property maintenance and improvement. As a qualified plumber I have practical experience in the repair and maintenance of heating installations and in the installation of irrigation systems. Running my own business has given me an

understanding of working with different contractors to get improvement works done. I have spent considerable time researching the various technical solutions to the energy crisis. I would like to be involved in putting some of these ideas to practical use.