

Minutes of Annual General Meeting held 11am, Saturday 27th April 2024

Revive Church, New Mills

Proceedings were live streamed to members unable to attend in person

Directors present: Anthony Ashton, Richard Body, Doug Brown, Esther Jones (Chair), Jan Szechi, Lynden Potter (minutes).

34 Additional members present

Reference documents circulated to members ahead of meeting:

- AGM 2024 Agenda including Background to Motions
- Torrshydro Annual Report 2022/23
- Torrshydro Annual Accounts 2022/23 (Draft)

1 **Welcome to Members** by the Chair, noting that the 15th anniversary of the scheme fell within the reporting year. The Chair thanked the volunteers for their commitment to the success of the scheme during this time.

2 **Apologies for absence** received from Directors Mary Cohen, Nick Metcalfe, and 28 members.

3 **Approval of the minutes of the last AGM held 20th May 2023.**

Proposed: Richard Body, Seconded: David King. Approved unanimously.

4 **Archie's performance and maintenance review.** Presented by Richard Body and Lynden Potter highlighting key points documented in the Annual Report.

A total of 188.019 kWh was generated by Torrshydro during the year 2022/23, making it the second-highest annual generation since the scheme started. This was due to high rainfall and minimal downtime.

Planned maintenance of the plant to replace the bottom bearing during Summer 2023 was postponed on two occasions due to poor weather conditions. No operational issues are being experienced with the bearing, so the work is rescheduled for Summer 2024.

5 Review of the unaudited accounts for the year ending 30th September 2023 presented by Richard Body.

Due to the high generation and minimal expenditure, the scheme returned a profit of £29,616 for the year 2022/23, the most profitable year to date.

No new shares were issued in the reporting year. 1250 shares have been withdrawn.

Motion 1: to approve the accounts for the year ending 30th September 2023.

Proposed: Richard Body. Seconded: David King. Approved unanimously. Motion carried.

Motion 2: to dis-apply the requirement for the accounts for the year ending 30th September 2024 to be audited. Richard Body explained that there is no requirement for audit for the cooperative.

Proposed: Richard Body. Seconded: Jan Szechi. Majority approved with one member not present against. Motion carried.

Motion 3: to appoint David Black as independent reviewer of the accounts for the year ending 30th September 2024.

Proposed: Richard Body. Seconded: Anthony Ashton. Approved unanimously. Motion carried.

6 Discussion of the society's share (equity) reduction policy

Presented by Esther Jones (see background to Motions appended to these minutes)

It was confirmed that the intention is to reduce the total liability, not to reduce the number of members, which can be achieved by members with over £250 in shares reducing the number of shares. It was also noted that this would have no impact on voting rights as all members have equal voting rights.

It was discussed that in principle it would be beneficial for members wishing to support the scheme in reducing shareholder liability to donate their shares to the Torrs Hydro community fund, which would have the multiple benefits of reducing the scheme's future liabilities, increasing the value of the community fund and increasing the proportion of future profits allocated to the community fund.

A question was raised regarding the protocol for dealing with shares on death of a member. Richard Body confirmed that in the case where there is not a joint shareholder or nominated successor, the estate executors would manage ownership of the shares as for any other asset. Richard confirmed that should any members wish to transfer their shares back to the scheme on their death, they can email the secretary to make the request.

There was general support for the motion, with agreement that the Directors should progress to clarify the options for members for share reduction.

Action: Directors to prepare options for members for share reduction

Motion 4: To approve the aim to reduce the equity capital in the form of withdrawable shares issued by Torrs Hydro.

Proposed: Esther Jones. Seconded: Richard Body. Approved unanimously. Motion carried.

7 Discussion of the society's financial position including

- The method used to calculate our reserve and any surplus
- The method of calculating the interest payment to shareholders and allocation to the Torrs Hydro Community Fund

Presented by Richard Body (see background to Motions appended to these minutes)

In response to a question from the members, Richard confirmed that the reserve calculation takes into account a contingency figure recommended by the Board, as an estimate of the cost of an unexpected major mechanical issue derived from previous experience. The value of the contingency reserve is £25,0000. The distributable surplus of £9,363.51 preserves the contingency reserve within the annual budget.

In response to a question, Esther confirmed that if no share withdrawals are made, or are made at a level below the annual budget of £5000 for withdrawals, the liability is carried forward into future years.

Motion 5: To approve 3.1% interest payment in the financial year 2023/24 to all shares owned at 30/9/2023 (£4,396.76 allocated) and allocate £4,966.75 to the Torrs Hydro Community Fund.

Proposed: Richard Body. Seconded: Lesley James. Majority approval; One abstention from a member not present. Motion carried.

8 Discussion on the Torrs Hydro Community Fund

Presented by Lynden Potter (see background to Motions appended to these minutes)

Laurie James noted that the motion should state “carbon equivalent emissions” rather than “carbon emissions”

Discussed that while it is assumed that the fund would be used for not-for-profit initiatives, it may be worth considering supporting private enterprise if that delivered a bigger benefit to the community and environment.

Discussed that consideration should be given to using the fund to improve the output of the existing Torrs Hydro plant, or mitigating future risks, such as collapse of the weir.

Esther Jones confirmed that the intention is to set up a sub group to manage the fund, seek projects and make recommendations to the members and Board for projects to support.

Esther invited anyone interested in joining the sub group to email the secretary.

Noted that Margaret Ritchie representing New Mills Town Council expressed interest in joining the sub group.

The motion was voted on with the amendment that the original wording “carbon emissions” was replaced with “carbon equivalent emissions”

Motion 6: The Torrs Hydro Community Fund should be prioritised to maximise positive environmental sustainability impact in the community of New Mills and surrounding area.

As such over time it will invest in a small number of projects with high impact in preference to a larger number of projects with lower impact.

Here impact will be assessed through forecasted improvements in environmental sustainability measures, and which may include carbon equivalent emissions reduction and/or waste reduction.

Proposed: Laurie James. Seconded: David King. Majority approved. Two abstentions from members not present. Motion carried.

9 Discussion on what should we do about members we have lost contact with

Richard Body outlined the issue as set out in the agenda, noting that the purpose of the discussion was to gather opinions so that a policy can be drafted for future approval.

It was suggested that lost contact members should not receive interest payments

Lesley James asked for clarification on the legal framework for this situation. Esther Jones confirmed that she has reviewed the advice for cooperatives and not found a clear guidance, hence bringing the matter to the membership for discussion.

It was generally agreed that the Board should make reasonable attempts to contact members but should not be required to carry out extensive detective work.

It was generally agreed that three methods of making contact is reasonable: email, phone and posted letter.

It was noted that a method used in other cooperatives is to move shares of lost contact members to a separate fund which is ring fenced

Richard thanked the members for their contribution and confirmed that the board will consider the feedback and prepare a policy to be presented at next year's AGM.

10 Questions for the Board

None

11 Election of directors

The following Directors are required to stand for re-election: Richard Body, Esther Jones and Mary Cohen. All three confirmed their wish to stand.

No other nominations for election of Directors were received.

Voting was taken en-masse for re-election of Richard Body, Esther Jones and Mary Cohen as Directors of Torrs Hydro New Mills Ltd.

Proposed: Lynden Potter. Seconded: Jan Szechi. Approved unanimously.

12 Any Other Business

The Board thanked the members for their enthusiastic contribution to the AGM discussion points
The members thanked the Board and Volunteers for their ongoing work in support of the scheme

Meeting closed

Background to motions as presented at the AGM

Motion 1: to approve the accounts for the year ending 30th September 2023.

The accounts have been reviewed and accepted as a true record by our independent review (David Black) and have been approved by the board. The accounts have been available to all members to review and any questions can be given to the Secretary. This motion is for the members to formally approve them. They can then be lodged with the FCA.

Motion 2: to dis-apply the requirement for the accounts for the year ending 30th September 2024 to be audited.

We, as a society with a small turnover, do not need to have a financial audit but the members have the right to request one. This is to formally agree that an audit is not required.

Motion 3: to appoint David Black as independent reviewer of the accounts for the year ending 30th September 2024.

Every year, our accounts are reviewed by an independent reviewer. David Black is a retired accountant from Greenfield, but not a shareholder, who kindly offered to perform the review.

Motion 4: To approve the aim to reduce the equity capital in the form of withdrawable shares issued by Torrs Hydro.

Torrs Hydro currently has 269 shareholders (307 members) and holds equity (share) investment in the form of withdrawable Community Shares to the value of nearly £142,000. 122 shareholders have more than 250 shares (the minimum).

Whilst repayment of these funds to members can never be guaranteed, it is considered good practice to aim to do so, whilst at the same time maintaining sufficient equity for the society to be viable. Where the enterprise is considered to have a finite life, such as a renewable energy scheme, this particularly needs to be factored into the financial planning.

In the case of Torrs Hydro, the plant has been estimated to have a life of 40 years, so our aspiration (assuming a further income stream is not initiated) is to reduce our share equity substantially, whilst retaining as many of our members as wish to stay with us, over the next 25 years.

An additional motivation for this is in terms of balancing how much surplus can be allocated to the Community Fund and how much to paying interest on the shares (again kept to a minimum sufficient to retain investment required for the enterprise's viability). Obviously the more equity investment a society holds, the more it is potentially liable for interest payments to its members. Torrs Hydro board would therefore like to aim to reduce the equity investment in the society. In practical terms, we are aiming for between £5,000 and £7,500 of share withdrawals each year, while maintaining our shareholders. An approach could initially be to invite members with large investments to consider withdrawing £250, say, of their investment.

Members withdrawing some of their investment may like to consider investing it in another community benefit society, perhaps with similar aims to Torrs Hydro.

Motion 5: to approve 3.1% interest payment (£4,396.76 allocated) and allocate £4,966.75 to the Torrs Hydro Community Fund

The board have considered the amount of reserves that should be kept and concluded that we have a surplus of £9,363.51 that has been apportioned between the shareholders and the community

fund based on the amount of grant funding we received. The interest payment to shareholders will be the first interest paid since 2017. If the interest reaches £25, the secretary will contact you to arrange payment. Some have in the past opted to donate it to the Community Fund.

Motion 6: Community Fund focus

The improved performance of Archie since the upgrade to the variable speed drive system has meant that the board are optimistic for ongoing profitability and they have reviewed and discussed its approach to running the community fund.

With increasing concern over the climate emergency, pollution and other waste, we are keen to use these funds to maximum benefit to address these issues.

We would seek to support a small number of projects with high impact in preference to a larger number of projects with lower impact.

We are also keen that Torrs Hydro members are involved in selecting beneficiary projects. Members may of course propose projects themselves including those that could provide a second income stream for Torrs Hydro.

DRAFT