

Drumlin Wind Energy Co-operative Ltd

Annual Report, AGM Notification and Audited Accounts for the year ended 31st March 2014

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Chairman's Statement Year Ending 31st March 2014

Can I begin by thanking my fellow board members for their continuing support over the past year as we took Drumlin forward into an exciting new phase.

You will be aware that this will be my last AGM Report as Chairman of Drumlin Wind Energy Cooperative. It has been both an honour and privilege to serve as Chairman but I leave in the knowledge that Drumlin is in a strong position going forward.

The past year has seen good progress with the initial four turbines erected. I am sure Members shared the great sense of pride and achievement I felt when the first of Drumlin's wind turbines begin to generate clean, renewable, community energy earlier this year. We should not forget that Drumlin has taken considerable work over many years to get to this point and I acknowledge the contribution of the large number of people and organisations who have contributed in many ways to its progress to date. In particular I would like to acknowledge the technical assistance provided by Rod Blunden of Blunden Consultancy and Ulster Community Investment Trust who have provided financial support.

Energy Production

The start of 2014 saw the culmination of many years work by NRG Solutions and Energy4all and more recent input by the Drumlin Board when the blades began to turn for the first time on the Cavanoneill turbine at Pomeroy on 21st January 2014. By mid March the Aghafad turbine, also at Pomeroy had commenced generation.

The combined electrical generation for both wind turbines is above budget, with the Cavanoneill turbine comfortably over budget and the Aghafad turbine marginally below budget. Early indications are that these WTN 250KW German manufactured turbines are proving very reliable.

By the time you read this we anticipate that the Ballyboley turbine at Larne, which was erected at the end of April will have commenced generation. The Parkgate turbine is erected and awaiting its NIE connection but we anticipate generation to begin in October/November of this year. We look forward to be in a position to make our first payment to Members in mid 2015

Second Share Offer

At last year's AGM Drumlin Members voted in favour of the Board's request to expand Drumlin. This became a reality with the raising of £1.2m in our second successful Share Offer and I thank you for your support. This great achievement is allowing us to extend our portfolio of wind turbines from four to six and has demonstrated the practical reality of community owned energy in Northern Ireland.

The additional two wind turbines have been now been ordered and will arrive on-site in January 2015, with on-site foundations and access tracks being installed this autumn. We plan for these turbines to be generating in March 2015.

This is an exciting time for community energy in Northern Ireland. I particularly welcome the commitment of the Minister for Enterprise, Trade and Investment to work closely with other departments to develop a draft energy action plan for Community Energy in Northern Ireland. I know that representatives from Drumlin will

be fully engaged and contribute to the proposed draft consultation in early 2015, encouraging support mechanisms to be introduced to assist with increasing community energy locally.

Green apple Awards

We continued to raise Drumlin's profile and were delighted that Drumlin Wind Energy Cooperative was successful at the Green Apple Awards 2014. Drumlin was successful in the Community Projects, Investing in Renewable Energy section and won a bronze award.

Financial

Having only two turbines operating from January to the year end and assets still under construction, Drumlin Co-op made a pre-tax profit of £20,237 for the year. The amount is too small to distribute to Members this year, therefore the Board has agreed to carry forward the profit and distribute next year.

Enterprise Investment Scheme

Members who invested in the first share offer will have received an EIS3 form to enable you to claim 30% tax relief if you are a tax payer. For Members who invested in the second share offer, we have applied to HMRC to issue EIS3 forms which should be delivered to Drumlin Co-op in the next two to three weeks.

The Board

Under the Co-op's Rules, from year two, one third of the Directors stand down in rotation. This year myself and David Morrow are retiring and will not seek re-election which will leave four vacant positions. However, I am delighted to report that we have received eleven nominations from the membership to join the Board. You will find biographies for each applicant from Page 5. It is important that you cast your vote either online or by post.

Conclusion

The Chairman's role, despite its many challenges, is one which I have greatly enjoyed over the past two years. I hope my successor will benefit as much as I have from the support of the cooperative "family" and will get the personal satisfaction that Drumlin has given me.

I look forward to seeing all our six wind turbines up and generating, and I wish all involved in Drumlin Wind Energy Cooperative every success going forward.



Nigel Brady
Chairman
Drumlin Wind Energy Co-operative Ltd

Notice of Annual General Meeting to be held on Wednesday 17th September 2014

NOTICE is given that the Annual General Meeting of members will be held at 7.00pm on Wednesday 17th September 2014 at The Templeton Hotel, 882 Antrim Road, Templepatrick, Ballyclare, County Antrim, BT39 0AH, for the following purposes:

AGENDA

1. Introductions and welcome.
2. **Motion 1:** To approve the minutes of the Annual General meeting held on 30th October 2013.
3. **Motion 2:** To receive and adopt the Report of the Directors and the annual Accounts for the year ended 31st March 2014, together with the Report of the auditors thereon.
4. **Motion 3:** To re-appoint the firm of Lamont Pridmore, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting at a fee to be agreed by the Board.
5. Election of Directors: declaration of result.
6. AOB

Close of formal business

Presentation on the RESCOOP Germany Trip

By order of the Board

Registered Office
54 Elmwood Avenue
Belfast
BT9 6AZ

Annette Heslop,
Company Secretary
Drumlin Wind Energy Co-op
7th August 2014

Administration Office:
Unit 33, Trinity Enterprise Centre
Furness Business Park
Barrow-in-Furness
Cumbria
LA14 2PN

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

Nominations to the Board

The Rules allow for a maximum number of seven Board members of which one third must retire each year in rotation. At the AGM in September this year Nigel Brady and David Morrow will retire by rotation and they are not seeking re-election therefore there are **four** Board vacancies. The Co-op received eleven nominations to join the Board from Anne Ford, Patrick McCarney, Mark McElhinney, Douglas McIlloodon, John McMullan, Tiziana O'Hara, Quintin Oliver, Colin Press, Philip Reid, George Storey and Tom Woolley. Members will be asked to vote for four candidates through a ballot.

Biographical Notes

New Candidates

Anne Ford - Ballymena

For me, Drumlin Wind Energy Co-operative ticks very many of the right boxes – a forward thinking group, sustainable safe energy production with low environmental impacts, like-minded people sharing individual resources and effort carefully for wider benefit to society – and with a good prospect of financial return on investments.

Having travelled to Germany recently with the Drumlin group, I have seen and studied some of the best practice in renewable energy generation and supply. I am firmly convinced of the value and potential of such technologies for Northern Ireland – and that realistic options exist for change here.

In seeking to join the Drumlin Board of Directors, I am enthusiastic to ensure that our co-operative maximises its potential for renewable power generation, to communicate widely the value of what we do, and to seek opportunities to expand member and community involvement thus influencing energy provision in a wider context.

After study at Queen's and the University of Ulster, my professional career in Biology and Environmental Science has been in teaching, lecturing, mentoring and Course Management. As a result of many years work in the Grammar School and Further Education sectors, as well as serving on school Boards of Governors and in other community, charity and church organisations, I feel I can offer the co-operative a deep understanding of sustainable development issues and a range of skills and experience including planning, administration, oversight, communication and team working.

Now retired from teaching (but still energetic!) I can commit time to our organic farming enterprise within sight of a Drumlin turbine.

If elected to the Drumlin Board, I will commit to wholeheartedly promoting the interests of our members, while seeking to enhance the co-operative nature of our group and demonstrate actions that could benefit the whole Northern Ireland community.

Patrick McCarney – Lisburn

I would like to be considered for one of the four Board of Director vacancies.

I am 57 years old male and I am employed in the Northern Ireland Civil Service as an Accountant. I have just completed 40 years service in the NICS and have recently taken partial early retirement which means I normally finish work at 2.00pm each day. This now leaves me more time to devote to my family and outside interests.

I am married to Una (who is also a Drumlin member) and we have 4 children aged 19 to 9. The oldest is at university in London and the youngest is at primary school.

My interests outside work are mainly business. I operate a Bed and Breakfast business at Drumbo and I have several properties let out in Northern Ireland and in USA which I manage myself. I believe the outside business interests coupled with my Accountancy skills would serve members of Drumlin well. Also my

experience in the civil service has taught me the meaning of fairness and I would like to see this is applied in all my dealings on behalf of fellow Drumlin members.

My hobby is in finding out about all forms of renewable energy and how these can be applied cost effectively to the benefit of householders - especially those contemplating 'new build'. I have recently purchased a 6.5kw solar panel array (26 panels) to my house and I am taking monthly readings as to how well the system performs. I am happy to share this information with anyone who e-mails me and indeed I would like to see Drumlin publish monthly figures of output for each wind turbine and e-mail to members.

If selected, I will endeavour to work fairly in the best interests of all Drumlin members

Mark McElhinney LL.B (Hons), MSc., FCA. - Carrickfergus

Having studied law at Queen's University, Belfast and a Masters in International Business at The University of Manchester, I qualified as a Chartered Accountant in London in 2000. My training was within the corporate tax department of PriceWaterhouseCoopers where I worked with a range of businesses with particular focus on the insurance and banking sector. I am now a Fellow of the Institute of Chartered Accountants in England and Wales.

After qualifying I spent a further 3 years in London working in the corporate finance department of HLB Kidsons (now Baker Tilly) as well as a small corporate finance boutique; Brandenburg Securities. I compiled business plans and raised finance for a variety of businesses in the manufacturing, IT and recycling sectors. Clients were based not only in the South East but in Wales and the North West of England. Through this role I worked alongside a number of legal firms, accountants and venture capital/private equity firms. I also have experience of preparing Information Memoranda for businesses seeking formal funding from both private sources and the junior markets.

I returned to Northern Ireland in 2004 and worked in the corporate and business banking department of Bank of Ireland in Belfast where I gained exposure to the debt side of a number of clients in a variety of sectors including food and general manufacturing, hospitality and property. In 2005 I formed my own building and property maintenance business firstly as a sole trader and latterly as an incorporated business. In addition to being a director of my own business I also act in a non-executive capacity in a motorsport business (R&R Logistics (NI) Limited) and on the Connexional Finance Committee of the Methodist Church in Ireland where we oversee the preparation of consolidated accounts across the island of Ireland. Up until 2012 I was a director of SDS Energy Limited, a Low Carbon and Energy Efficiency consultancy business based in Belfast.

I firmly believe in the ethos of the Co-operative and have applied for further shares in the recent second share offer.

Douglas McIlldoon – Belfast

Drumlin Wind Energy Co-op brings together in a single organisation many of the things I care about : placing the ownership of energy in the hands of the people who produce it and use ; treating the earth and its resources with care and respect ; recycling household expenditure within the local economy instead of enriching parasitic externally owned fossil fuel companies and - perhaps most important of all - unlocking the community's creativity.

I worked as a civil servant with my last ten years spent as Northern Ireland's energy regulator overseeing the halving of the carbon content of Northern Ireland's electricity as coal and oil power stations were converted to combined cycle gas turbines and we began to develop renewables. At an earlier stage I worked in the European Commission and in Planning and Urban Regeneration.

Since retiring – apart from being an early Drumlin joiner and doing another degree at Queens – I have been actively involved in several social enterprises and other organisations concerned with tackling fuel poverty. I am a member of several GB energy cooperatives not least so that I can pick up on the experiences and insights gained by our kindred spirits in other places; and I am treasurer of my church. My wife and I take delight in producing a significant proportion of our fruit and vegetables from our inner city garden and exporting from our PV panels more summer electricity than we consume in the house.

I have no doubt that Drumlin will continue to be efficiently managed. But it should be more than that. It should be a catalyst for change in the way in which we in our little corner of the world look at how we produce and manage our energy needs and the contribution we can make to tackling climate change.

Bryson Charitable Group - John McMullan

John holds a BA (Hon) Degree in Business Studies as well as a Masters Degree in Business Administration (MBA).

John has been employed by Bryson since 1985 and now holds the position of Chief Executive. John now heads N Irelands leading social enterprise operating through 7 subsidiary companies each leading in a range of social business markets, which include social care; energy efficiency & fuel poverty; training services for people in unemployment; supporting ethnic minority families/communities and domestic recycling. He has led the repositioning of the Bryson Brand and overseen the significant growth of the Group, which currently employs 690 staff with a turnover circa £34million per annum (2012/13).

John has been the Northern Ireland representative on the national Landfill Tax Credit Forum. John is Vice Chair & Hon Treasurer of the Belfast Healthy Cities, Hon Treasurer and founder member Belfast Hills Partnership; a Board member of Work West Ltd; Chairs the Visiting Panel on Sustainability at the University of Ulster; Chairs DoE's Climate NI intersectoral partnership; and holds board positions within Bryson Recycling Ltd; LaganSports Ltd; Bryson FutureSkills Ltd; is a member of DFP's Social Enterprise Procurement Working Group and was a member of the ministerial (DSD) Taskforce on resourcing the Voluntary and Community Sector.

John was appointed by the Minister at the Department for Social Development as the first Chairman of the Northern Ireland Fuel Poverty Advisory Group & a member of the interdepartmental Group on Fuel poverty until 2009, was a member of the Minister's Fuel Poverty Taskforce and appointed by the Minister of State at the Department of Communication, Energy & Natural resources (Republic of Ireland) as a board member of the Sustainable Energy Authority of Ireland (Sustainable Energy Ireland) 1999-2007.

John was awarded an MBE in the 1998 Birthday Honours List and an OBE in 2011. He was elected a life Fellow of RSA in 2007; and in 2009 elected to the RSA Fellowship Council representing Ireland. Also in 2009 John was awarded the Distinguished Graduate Award 2009/10 by the University of Ulster. John was acknowledged as the Northern Ireland and subsequently the UK Social Enterprise Leader of the Year in 2011, awarded IoD (NI) 3rd sector Director of the Year 2012 and awarded IoD UK Public and 3rd Sector Director of the Year 2013.

Tiziana O'Hara - Belfast

Tiziana has been living in Northern Ireland for the past 20 years and most of her working life has been spent in the local community, voluntary and social economy sector. Tiziana is one of the founder members of Co-operative Alternatives and believes in democratic enterprises which are socially and environmentally minded. She has been involved in the development of new co-operatives in Northern Ireland in the past two years, in particular she is interested in energy, housing and food co-operatives. Tiziana has also a strong passion for community ownership and believes that community shares are an exciting finance tool to bring cohesion, engagement and commitment in a community.

Tiziana joined the North West England Consortium in 2011 and was pivotal in the launching of the Co-operative Enterprise Hub in Northern Ireland which stimulated the growth of the co-operative sector in the region after decades of neglect and underinvestment. As an advisor to the Co-operative Enterprise Hub and an associate of Co-operative Business Consultants, she has built working relationship with the co-operative movement in Scotland, England, Wales from Co-operatives UK to the Plunkett Foundation and promotes co-operation among co-operatives locally and across regions.

In 2012, she was the Development Officer for the Northern Ireland Co-operative Forum and through the celebrations of the International Year of Co-operatives raised the profile of existing and new co-operatives both North and South of Ireland. Tiziana is responsible for influencing policy, promoting the co-operative business model and stimulating the debate on how our local economy may benefit from more co-operative businesses and community benefit societies.

Quintin Oliver - Belfast

Quintin is a serial social entrepreneur with three decades successful activity in Scotland and N. Ireland across the voluntary, public, private and social sectors.

After leading the Northern Ireland Council for Voluntary Action for 15 years, he set up Stratagem as a leading public policy organisation – and latterly Stratagem International on conflict resolution – in 1998, after running the YES Campaign in the 1998 Good Friday Agreement referendum; he founded and chairs professional association, The Consultation Institute, acts as Company Secretary of Belfast schools social enterprise *Artemis* and is special adviser to Scottish anti-sectarian charity *Nil by Mouth*.

Quintin advises the Joseph Rowntree Foundation on its N. Ireland programmes, and Carnegie UK Trust on its Well-Being programme. He is literate in the energy field, having advised a range of players in the sector; he was a non-executive director of EAGA plc from 2007-11.

Particular skills include vision and leadership, public policy, lobbying and thought leadership.

Colin Press – Newtownabbey

For 27 years I taught science in a number of secondary schools. Throughout my teaching career, I have had an interest in environmental and conservation issues.

In 1993 I was appointed to the North Eastern Education and Library Board as an Advisory teacher with special interest in science in post – primary schools.

In 1996 I took early retirement and set myself up as an Educational Consultant. I also set up a small plant nursery. Both prospered, but there came a time when running two businesses became too much and I closed the nursery.

As a Consultant I have worked with the Education and Library Boards, Sheffield Hallam University, Queen's University, and the University of Edinburgh. Most of my work has been project development and management in schools and I have a particular interest in Science and Engineering. Over a period of fifteen years I have been developing the concept of introducing an "expert" into the Primary classroom. In Belfast I have organised and managed "Medics in Primary Schools". Each year 70 second year medical students from Queen's University Medical School deliver a Health Education programme to about 2000 children in 45 primary schools in the Greater Belfast area.

With a colleague we have undertaken similar programmes funded by AstraZenaca, Wellcome and the Institution of Civil Engineers using "experts" who work as Scientists and Engineers in the world outside the classroom, but bring their skills to school and inform the pupils about the work they do, often developing classroom projects related to their work.

Project management and development have always been an interest of mine. I enjoy watching projects grow and eventually operate as planned. In the last few years I have been able to put into practice some of the principles of energy conservation and, in a small way, produce renewable energy. I have built a house, south facing and very heavily insulated which has solar panels and panels providing hot water. Planning for the time when clean water may become more expensive, I have also installed a water harvesting system.

I am married to a retired grammar school head teacher, have three married sons, all members of Drumlin Co-op, and, at the last count, 5 grandchildren.

Philip Reid CEng, Co. Antrim

I am seeking election as a director of Drumlin Co-op primarily to contribute to the success of the co-op and to gain the experience of being involved in Drumlin Co-op.

I have a BEng honours degree and recently completed an MSc in Renewable Energy and Energy Management in 2012. I am a Chartered Engineer as well as a Chartered Energy Manager.

I have been employed as an Energy Engineer and Manager since 2006, I have considerable knowledge and experience in renewable energy and energy efficiency including managing numerous energy engineering projects. I have experience of public contracts procurement through open tender process.

This experience would be very useful in analysing, forecasting and reporting on the performance of wind turbines, as well as evaluating the potential of any proposed projects.

I am currently working on developing renewable energy projects such as wind turbines (up to 250 kW) and Solar Photovoltaic (up to 50kW) across numerous sites.

I have a passion for renewable energy and have experience of biomass, solar and wind to replace fossil fuel use. I drive energy efficient practices which all produce measurable environmental benefits. I regularly consider sustainability through my regular work and projects are usually centred on sustainable development. I comply and contribute to my company's commitment to sustainable development, legislation and codes of practice.

I believe that I have the energy and experience to make a significant contribution as director, as well as the opportunity to be involved in such a worthwhile project.

George Storey - Newtownabbey

George founded Abbey Insurance Brokers in 1973, the largest Northern Ireland owned Insurance Broker. He also formed Prestige Underwriting Services in 1997, the largest delegated underwriting authority in Northern Ireland. He is also a Board Member on several other companies within the Prestige Group.

George is a founding investor in Drumlin Wind Energy Co-op and if elected to the Board would bring his considerable experience to the co-op.

Tom Woolley - Downpatrick

Tom Woolley is a semi-retired architect. He was Professor of Architecture at Queens University Belfast from 1991-2007. He is an active campaigner on environmental and sustainability issues and has written 5 books on sustainable construction.

He has been involved with renewable energy since the COMTEK Festivals in England in the 1970s. He was a founder of "Support" the first Architects Co-operative in the 1970s in London and has also taught at the Centre for Alternative Technology in Wales.

Tom has considerable committee experience and has been chairman of the Northern Ireland Building Regulations Advisory Committee and was also a member for 6 years of the Ministerial Advisory Group for Architecture (DCALNI).

He is on the European board of Natureplus a certification system for sustainable building materials and chairman of the Northern Ireland Co-operative Party for 2 years

Tom has installed 4 kW of roof mounted PV and obtains heating for his house from logs from his 12 acre hardwood woodland in Crossgar.

Please refer to the enclosed Ballot Form for voting instructions

Drumlin Wind Energy Co-operative Limited (Registration No IP000398)
Minutes of Annual General Meeting
The Dunadry Hotel & Country Club, 2 Islandreagh Drive, Templepatrick BT41 2HA
30th October 2013 at 6.00pm

Present: 5 Directors, 18 members, 5 guests, and 1 representative on behalf of Energy4All Ltd.

97 responses were received via post and online for the motions.

3 Apologies

1 Welcome & Introductions

Nigel Brady, Drumlin chairman, welcomed members to the inaugural Drumlin AGM and introduced the Board to the members.

2. Chairman's Review

Nigel presented his review to members and outlined the current status of each site to date and the expected build programme. Nigel confirmed Drumlin Co-op

3. Motion 1: To receive and adopt the Report of the Directors and the annual Accounts for the period ended 31st March 2013, together with the Report of the auditors thereon.

Annette Heslop presented the financial position of the co-op and showed actual capital costs to date are within 3% of the projected costs in the original share offer. Annette went on to explain the proposal to develop a further two turbines, one in Co Antrim and the other in Co Armagh.

Proposed by Lawrence Arbuckle and seconded by Rodney Arbuckle.

Postal votes totalled 48 for, 3 abstentions and the chair held 46 votes in favour.

Majority in favour motion approved.

4. Motion 2 – To re-appoint the firm of Lamont Pridmore, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting.

Proposed by David Ford and seconded by Robin Tweed

Postal votes totalled 47 for, 4 abstentions and the chair held 46 votes in favour.

Majority in favour motion approved.

5. Motion 3 - To authorise the Board to continue with investigations to develop additional turbines and proceed to a Share Offer as outlined in Appendix 1.

Proposed by Ursula Toman and seconded by Douglas McIlldoon

Postal votes totalled 47 for, 1 abstentions, 3 against and the chair held 46 votes in favour.

Majority in favour motion approved.

6. Motion 4 – To amend the Rules to permit the issue of 'B' shares as outlined in Appendix 2.

Annette Heslop explained the need to change the Rules to allow 'B' shares to enable Drumlin Co-op to develop the additional two turbines.

Proposed by Craig Smith and seconded by Tizianna O'Hara

Postal votes totalled 46 for, 2 abstentions, 3 against and the chair held 46 votes in favour.

Majority in favour motion approved.

Close of formal business

Presentations

Graham Taylor: Construction Update

Graham Taylor from McMillan gave a presentation on construction progress of the first four turbines.

Tiziana O'Hara: Community Benefit Societies

Tiziana O'Hara from Co-operative Alternatives presented the Community Benefit Society model which allows community groups to form a Society for the benefit of the wider community as well as investing members.

For more information please visit <http://www.coopalternatives.coop/members/tiziana-ohara/>

Paul Phare: RES Co-op presentation

Paul Phare, Development Manager with Energy4All explained to members that Drumlin has been selected by Energy4All as a pilot project for the RESCoop European project that Energy4All is a partner in. As part of its commitment to the project it has to arrange for up to 15 stakeholders in the Drumlin project to visit another European Co-operative.

Signed as a true record of the meeting,



Nigel Brady, Chairman