

Tresoc Update Meeting, 23rd July 2014 Methodist Church, Totnes

Present: Ian Bright, Mandy Burton, Owen Hill, Jane Brady, Ingrid Koehler, Adam Dadeby, Julian Hall, Phillips, Chris Edwards, Wendy Douglas, Sally Croft, Wendy Stayte, Caroline Hall, Julian Burn, Jacki Becker, Jay Tompt, Caroline Hall, R. Mary Trimble, Patrick Grass, Jean Burton, Neil Armer, Susan Hannis, Richard Phillips, David Salaman, Nigel Kelland, Dan Findlay, Francis MacNaughton, Ann Jordan.

Ian Bright opened the meeting, outlining our story so far. We have raised £128,000 to date. Marketing only started in June, yet we have raised more than any other previous share issue. We have had a presence at Ways with Words. The Charity Bank was started up to lend money to those businesses with a sustainable plan. Ian Bright met up with Ian Alexander at WWW and we were offered a loan of £1.5Million, at 4%. We can leave the share issue open, whilst these negotiations proceed. Renewable Energy is considered a good investment.

Q. Will it bring in more if we open up the boundaries? Ian Bright said he thought it would, it is low risk, index linked, and it is also safe because we have received money from our neighbours and our friends and family. Germany has a lot of Community Energy. Jonathon Porritt says it is a safe bet.

Q. Would we need all this money? A. We could draw down what we need as we need it.

Owen Hill outlined his proposal to the Bank (attached). Instead of just quoting the income, also look at the loan to value ratio. This is just the opening gambit, to see if they would look at this proposal over a 20 year term.

Q. Did we consider just going ahead with just one project? A. This would not be viable. We need the income from an investment of around £500,000 in order to be able to cover our organisational costs, and to pay a dividend or interest to Members. If we are negotiating with a bank who are willing to advance half a million, then others may see it as more viable. Could then pay a nominal rate of interest to our members to our members. We have a lot of good projects, and with this loan, we could get 3 of them up and running.

Q. Why have you chosen these three projects, of SDRHA, Hatchlands, and Sowton? We chose these as they are the most profitable of our six projects. The proposal is for these 3 projects, would maybe need to borrow £800,000, added to our other money, would have nearly £1M. We don't have to draw it down, if we don't need it. We would have a loan facility.

Q. Would it be a capital repayment loan, or Interest only? We are looking at a Capital Repayment loan. It will take 6 - 8 Weeks to process the application. Could get final decision by end September. The Board has decided to leave the Share Offer open during this time.

Q. Would other people be encouraged to lend if this loan looked like it was forthcoming? Yes. We must also remember the social objectives of Charity Bank,

they are not quite the same as the high street banks. But this is not charity money. They have criteria, and expect security, they would not do it if it were high risk. They would take the assets if we failed, they would then own our solar and hydro installations, or the proportion of them that we own. At Sowton we would have a 21% share of the operation.

Q. Is the Charity Bank an Ethical Bank? A. If you look for ethical investment, Charity Bank does come up.

Q. I find it encouraging that they came to us. A. It is a lifeline. They have read the prospectus. They are already doing their homework, and checking up on our CV's etc.

Q. Will Tresoc have to pass their Audit test? A. Yes. We will have to submit all our financial documentation. If we pass this audit test, then this looks good on our CV as Tresoc. If you offer 7%, then you get over subscribed, for obvious reasons. If we got £1.5M then could offer 4%. This includes the repayment of capital in the equation.

Q. Are there any other wind projects in the pipeline? A. When we learnt that Infinergy were not going to appeal, we looked at those projects that we could deliver in a short time frame, and were low risk, and profitable. Had to discard some projects eg Bio mass, pyrolysis etc. We now have a very good team, with expertise in different fields, law, planning, finance and project planning. If we want it to be community owned, then this is the opportunity.

Q. Is it an Interest only loan? Or capital repayment? A. Interest only would be better and cheaper, but then there is the question of how the capital is repaid at the end of the term. Capital Repayment may be more acceptable to the Charity Bank.

Q. How sure are we about the interest rate on this loan? 6.5% is the going rate. Do they have different rates for different businesses?

A. If rate is 6.5% we pack up. This would not be affordable for us.

Q. What do you think is the probability that we can get a deal?

A. This is impossible to predict. We are trying to define terms at this stage. We are due a solar payment in August, for the £2,000 Feed In Tariff for the Leatside Surgery and Follaton Community Hall. The money raised in this share offer will not be touched, it is sitting in a bank deposit account. If we do not secure a loan, or raise enough capital, then we would wrap up, and return all monies.

Q. Are you pursuing any other leads? A. We are all pursuing leads, of people we know. Jonathon Porritt has made a fantastic supportive statement, which is hugely useful to us. Matt Harvey's poem and other recent work is helping our Share Issue.

Jane Brady told the meeting what we have been doing over the past 63 days. Delivered prospectus, changed our boundaries, used our private networks, Totnes Pound launch, Tagore, WWW, market stall, Matt Harvey wrote a poem, Meeting at Torbay Hospital, two garden parties, Peter Kibel gave a site visit, 63 tweets, reached 23,000 people, Facebook, endorsement by Jonathon Porritt, 369 media

contacts, articles printed in local, regional and national press, guardian network, starting to reach into new groups. We had a struggle with what the hook is for National Press. Regen SW have promoted us, there is a TTT blog, Rob Hopkins has blogged about us. There is a 10:10 post. We have had a makeover and updated our own website. We can do this all this and more over the next 8 weeks.

Q. Are we approaching much bigger investors? Could we investigate if there is someone who could do this type of fundraising, who already has these networks. Could we employ someone with this specialist knowledge? The cost is prohibitive, as we are near to threshold of what we have promised our members at the last AGM of what we will keep in reserve.

Q. Could Members contribute to cost? There is a finite amount of time. Does anyone know of anyone who could do this?

A. We have not come across anyone of this description. We are now a part of Community Energy England. We are not competing with another CRE group. We would work together. Need to have access to the pool of investors. Be good to have this expertise.

Q. One of the concerns is that this is a community, and outside the area, what exactly are we offering? A. If we restrict it to only those in the area, then returns would be lower. If the returns were higher, then others would invest too. Had we succeeded in the wind farm, our returns would have been much higher. If we were to raise £1.5M then returns would be 4% for definite. At the next share offer, we will be able to offer a more competitive interest rate.

Q. Are we getting a response from outside the area? A. Yes. We all have connections with other people further afield. Of the 50 or so cheques received recently, about 20% have come from outside the area. Some are just outside the area, in Newton Abbot, Ashburton, Plymouth, and quite a number are from much further away. This will grow in time.

Jane Brady mentioned the Carbon Article, where there is a pioneering quote, “ we are in some ways quite far ahead” , we are a different fish.

Q. Have we considered crowd sourcing. People put in relatively low amounts, but could raise £300,000 through web-based crowd financing. Many might chip in. A. We could give that a go, if we leave the share offer open. We could look into it, but, has not been possible so far because our organisation is looking at multiple projects rather than just one. But we can look again.

Q. I never expected any return on the money I put in. I made a donation, and never expected to make a profit. The cause of Renewable Energy is more important in so many ways. (There was a lot of general agreement to this statement.)

Q. Can we claim EIS? We can't claim EIS on our existing projects. Single projects are better for EIS. We have a portfolio of projects, which generates a higher rate of return for our members. We are not eligible for EIS sadly.

IB asked the question of the Members present: Do you think we are doing the right thing? Should we carry on? Do we have to carry on? We are not looking for a return, looking to grow the business, those present agreed this sounds like the best plan.

Q. I would like to endorse the idea of Crowd sourcing already mentioned. Is there any way we could improve and enhance Tresoc's marketing strategy?

A. Are you volunteering? Q. I know someone who does professional fundraising and could send details.

Q. We all need to recruit members ourselves. We can all look at these possibilities.

A. Yes. Our members are our biggest asset.

Q. I have friends who are so opposed to nuclear energy, the question is how to reach them? Mandy Harvey would be a good person to write on our behalf.

Q. Jay Tompt: We all have high network friends, individuals and rich friends, the more that we as members can work our rich contacts, the more we can help. Then these networks grow. We can start in the local area, S hams, Devon and then can branch out further.

Q. There are a lot of second home owners, who might like to invest in this organisation. Stags might know a list of second home owners.

A. We aim to keep it local, and generate a better return for our investors. We want to develop a momentum. Leave the Share Issue open, put this news out, continue our negotiations with the Charity Bank, then we may reach our target.

Q. Maybe we could have an event, so people can come along and network. We need a video of Ian giving out the facts to a potential investor. A. These are very good ideas. We hope as the negotiations continue with the Charity Bank, that others will be encouraged to invest with us, and thereby, we will need to borrow less.

The Tresoc Team thanked those present for all their support.

The meeting closed at 9 pm.

