



Solar for Schools CBS

Annual General Meeting 4th October 2023

Welcome - We will record this session.

Agenda for AGM



- ▶ Welcome - We will record this session.
- ▶ Students tell their story
- ▶ Solar for Schools CBS Overview
- ▶ Signing off Minutes of 2022 AGM
- ▶ Activity this past year (April 2022 to March 2023)
- ▶ Financial performance reports vs budgets to date and improvements
- ▶ Review and sign off: Financial Accounts to March 2023
- ▶ Confirmation of interest rates and payment
- ▶ Voting: Approval of new School Members, Election of Directors, Approval of Auditors
- ▶ Other updates:
- ▶ Any other business and your questions

Welcome



The solar for Schools CBS is run for its members the schools, with funding from our bondholders, all of which are invited today.

At the AGM the we present the figures, provide an update, approve the accounts and elect directors, any one present can be nominated as an unpaid director, but only members can vote.

Marino Charalambous

CBS Chair
CEO of North Star
Academy Trust



Peter Roberts

CBS Treasurer
Project Management
Consultancy Director



Robert Schrimppf

CBS Secretary
Solar Options for Schools
Founder & CEO



Sian Herschel

CBS Director
School parent and
fundraiser



Wendy Litherland

CBS Director
Ass. Headteacher,
Director Sustainability



Julian Leslie

CBS Director
National Grid Head of
Network Capability



Nathan Odom

CBS Director
Head of Estates at
the Discovery Trust



Ann Flaherty

CBS Director
Solar Options for Schools
UK Director



Student presentation from Accrington St Christopher's



Installed: July 2023

Capacity: 297.8kWp

**Will generate over 50%
of the School's total
annual electricity
demand.**

**Sadly, many roofs not
suitable, as could have
been larger otherwise.**



Solar for Schools CBS Overview to October 2023

Our national impact so far:



110 sites since 2015;
Academy Trusts, Dioceses,
Maintained & Independent



"Having solar panels installed across our roof will naturally provide financial savings to the school but most importantly we are now able to use this resource to educate our children and the wider community"

Nicola Jones, headteacher
Clifton Green Primary



+50,000
students in school with
solar panels



3,900 tonnes of
CO₂ removed from
the atmosphere



9.6 MW
Renewable energy
capacity

Minutes of the 2022 AGM

► Approval of 2022 AGM minutes



**Minutes of
ANNUAL GENERAL MEETING
19th October 2022 16.00 – 17.30**

Conducted by video conference with all parties online

Present online:
CBS Directors: Robert Schrimppff (Outgoing Chair)
Ann Flaherty
Julian Leslie
Peter Roberts
Marino Charalambous (New Chair)
Nathan Odom

Members representing schools:
Nathan Odom, Discovery Schools
Marino Charalambous – North Star Community Trust schools
Stuart Brady - Headteacher - Bidston Avenue Primary School
Sian Herschel – ~~Spinf~~field School

Bond holders and guests:
Anne Chapman, Colin Spiller, David Burnett, David ~~Owers~~, Donald ~~McIntosh~~, Elizabeth Stacey,
Craig ~~Ellin~~, John Chilton, John Laker, Karen ~~Cajle~~, Lee Paterson, Lesley Strutt, Michael Harrison,
Penny Hockley, Nan Pratt, Richard Brooks, Roger.

Observing: Solar Options for Schools
Georgia Gallimore, Mike Marques

AGM

Subject	
1 Welcome All Directors, Members, Bondholders, Observers were welcomed. Sufficient directors/members being present for the meeting to be quorate the AGM was declared open.	Robert Schrimppff Chair
2 Introduction to Solar for Schools CBS Currently 80 schools have had solar provided by the CBS so far, the CBS total installed solar capacity is nearly 6MW and over 39,000 students have an opportunity to learn about solar energy. The CBS will avoid 27,000 tonnes of carbon going into the atmosphere.	Julian Leslie, Directors

Performance: 1st April 2022 to March 31st 2023 - 12 months



18
Schools joined



6,768
Additional students



3,951
Panels installed in
period



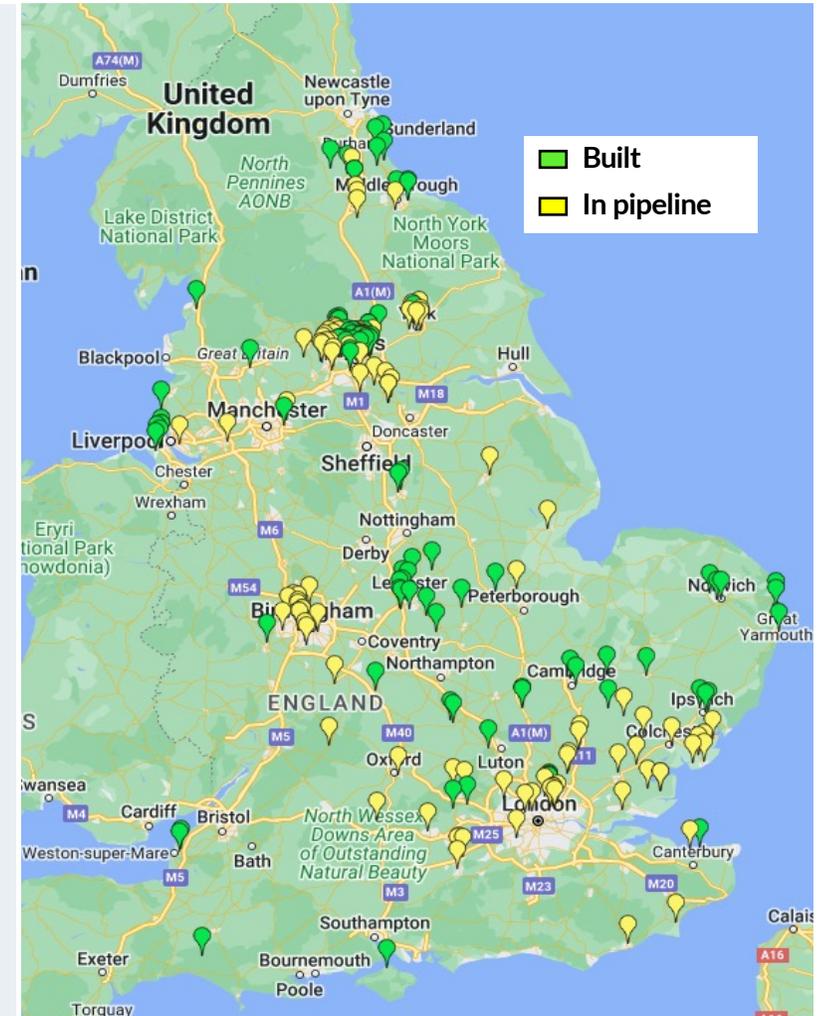
1.6 MW
Added in period



4.2 million kWh
Solar electricity from
all CBS schools

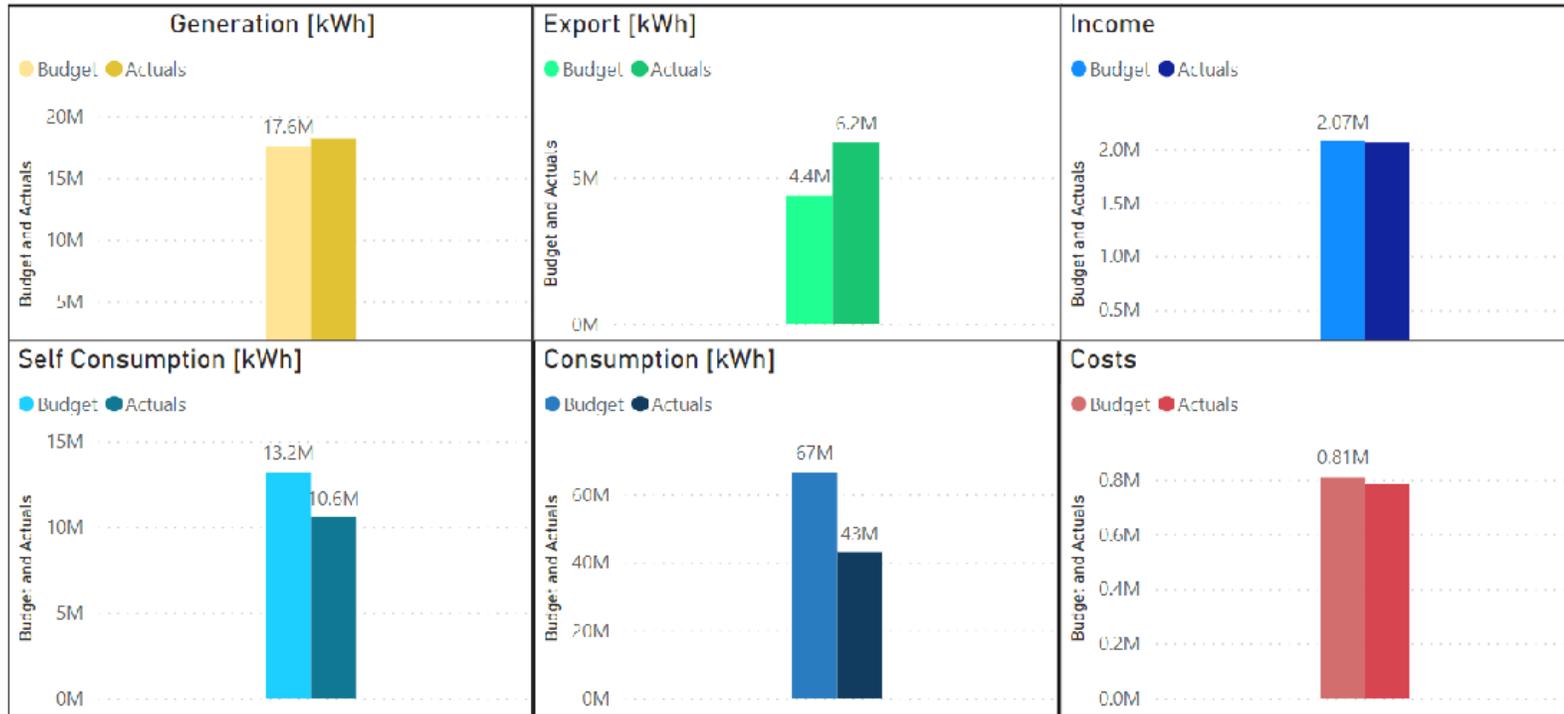
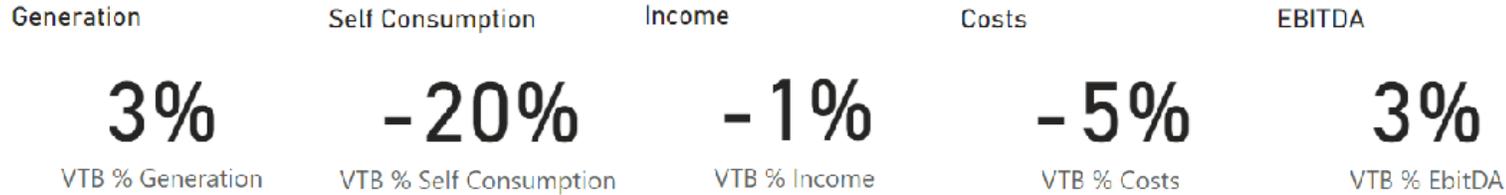


816 t
CO₂ avoided
by all CBS schools



Total schools built and in the pipeline: 204 schools

Financial performance of the CBS to the end of June 2023



Size: 8207.9kWp

Contracts: 105

Electricity generation across all school sites is 3% higher than target to date.

Schools are using less electricity - about 1/3 less than original forecasts since 2016, probably due to increased awareness, COVID closures and higher mains electricity prices.

The CBS has negotiated better prices for the exported solar electricity so income to the CBS is only 1% lower than forecast.

Overall cash generation (EBITDA) is 3% ahead of budget.

Self-consumption and export to end of March 2023



Generation is ahead of targets

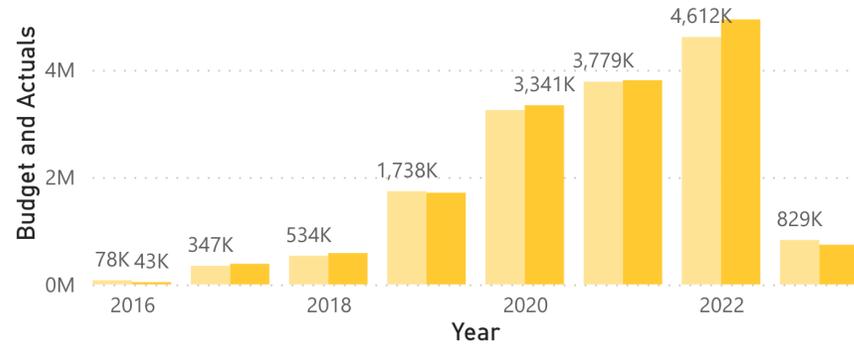
BUT 'self-consumption' is lower than forecast from 2020 onwards driven by the trend for schools to use less electricity.

Self-consumption estimates have been refined in our financial model following an analysis of 80 systems in 2019, 2021 and 2022 (see next page)

Exported solar is worth around 8.5-9 p/kWh (more than double our forecast) so more schools are now set up to collect income from export.

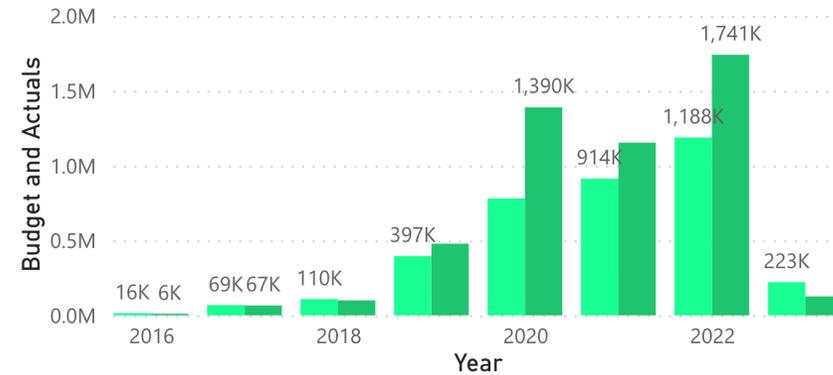
Generation [kWh]

● Budget ● Actuals



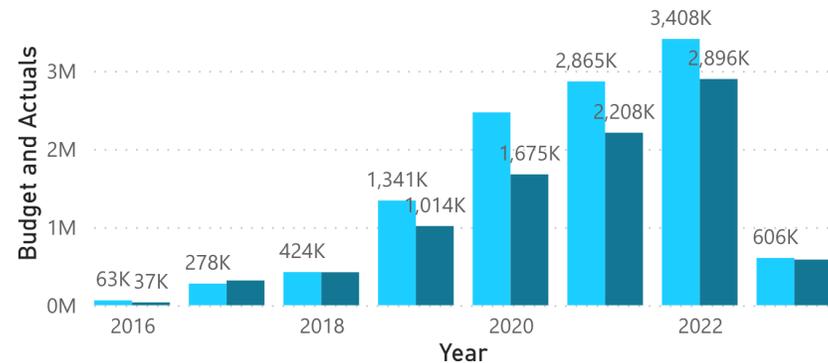
Export [kWh]

● Budget ● Actuals



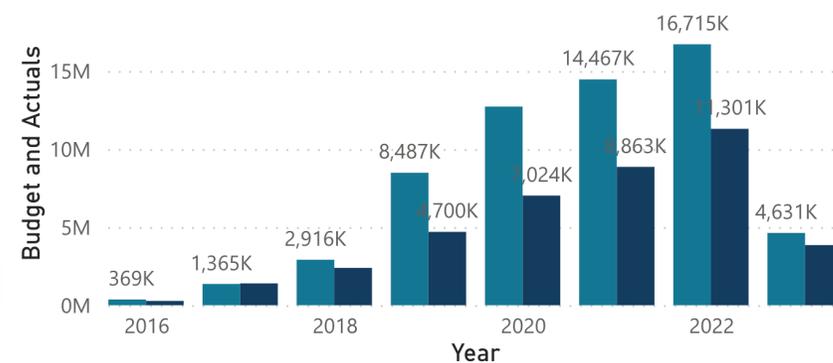
Self Consumption [kWh]

● Budget ● Actuals

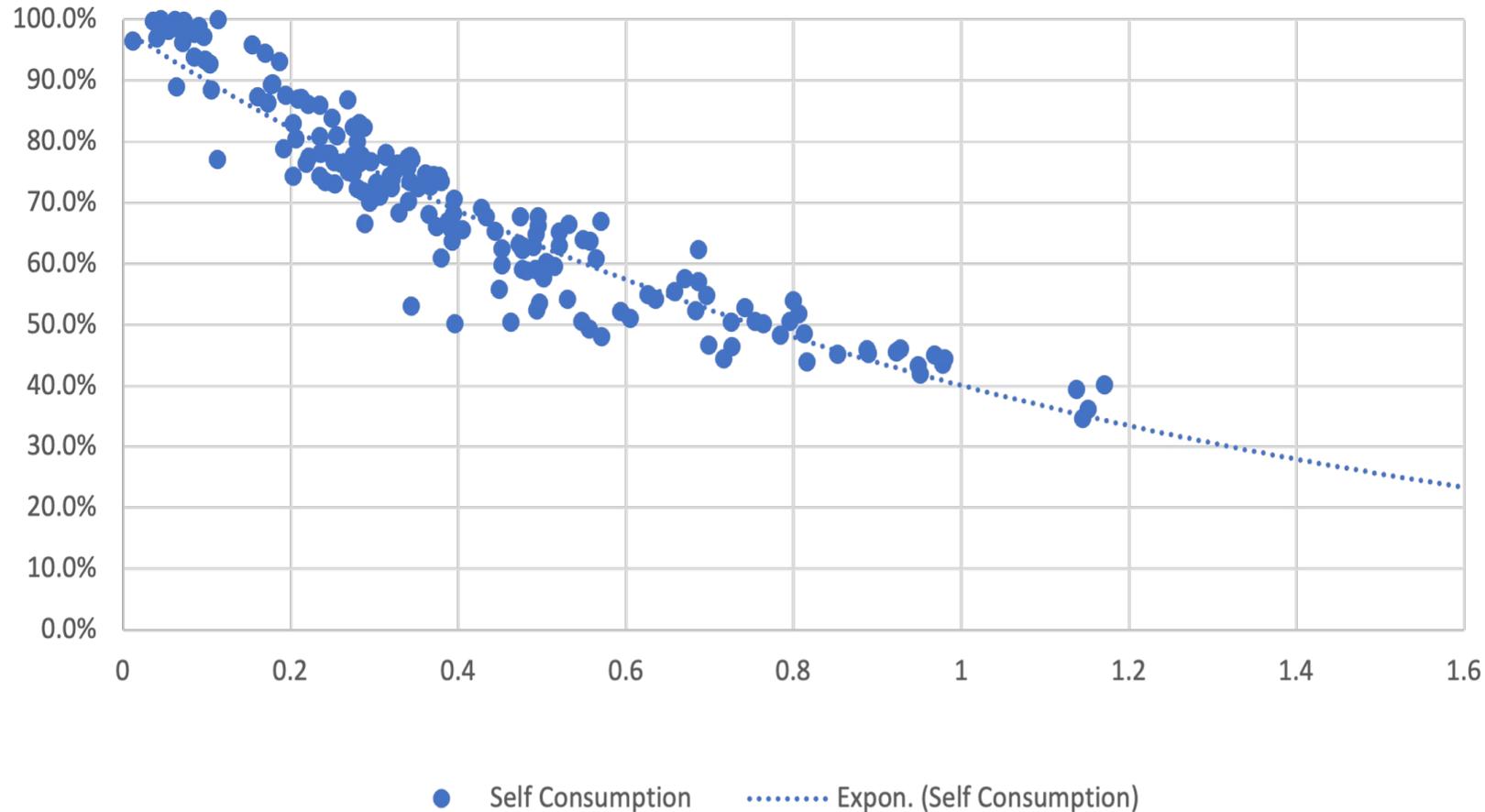


Consumption [kWh]

● Budget ● Actuals



Refining self-consumption estimates

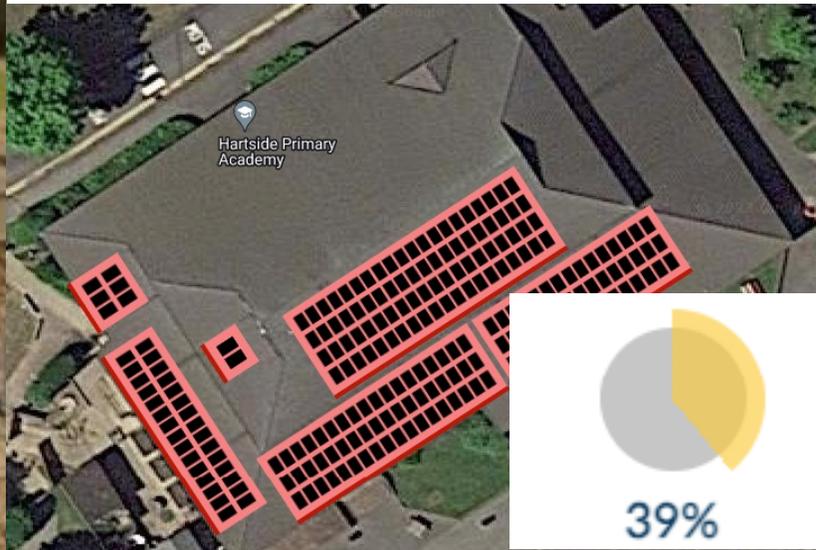


Our 'self-consumption' calculations has been refined after analysing over 80 systems that have been operational for more than a year during 2019, 2021 and 2022.

Year 2020 was not considered due to COVID closures.

These new more conservative 'self consumption' rates are used for all new projects.

Longer term, we expect electricity self consumption in schools to actually increase as they add heat pumps, switch to heating water electrically, EV charging and even batteries.

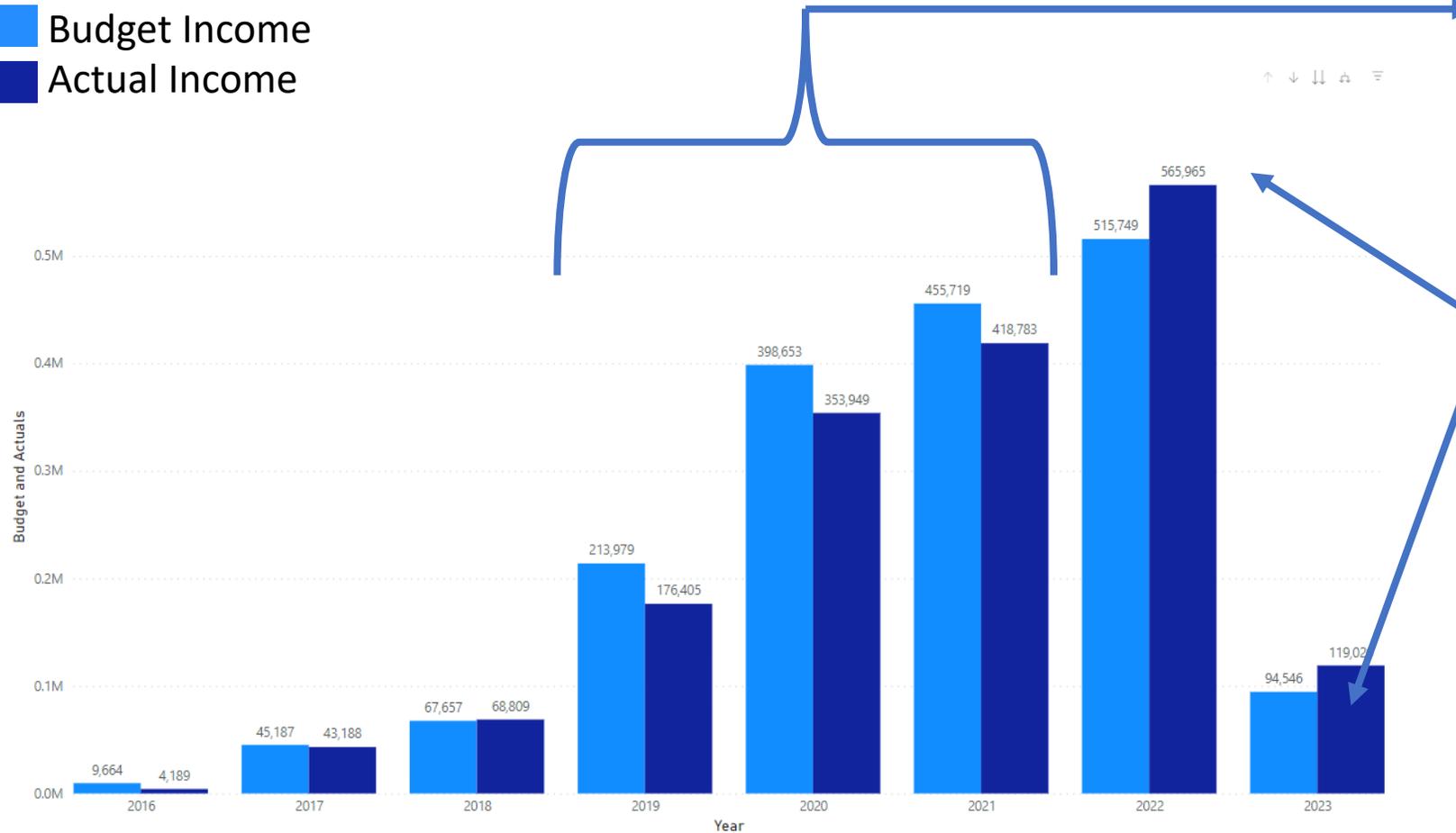


Hartside Primary Accademy's solar panels were installed in Feb 2023, they will generate more electricity than the school consumes each year. Previously we would have forecast to replace 58% of their mains electricity, now with the more conservative calculations about 39%.

Annual revenues now 10% ahead of plan



■ Budget Income
■ Actual Income



Lower income in 2019-2021 was due to a fall in electricity use by schools, from increased energy awareness, COVID closures, increasing electricity costs

Capturing higher value from exported electricity has paid off, but as can't rely on high export prices, have updated the self consumption assumption to be more conservative.

2023 first quarter only

In future expect schools electricity consumption to increase again

Longer term, expect higher electricity consumption in schools from heat pumps, electrification

Review of Accounts for 12 months to March 2023



Accounts to 31st March 2023: Profit & Loss

	2023 £	2022 £
Turnover		
Sales - Export, FIT and PPA	628,701	477,389
Other income receivable	-	500
Share interest donated	890	1,389
Donations received towards capital investments	25,186	-
	<u>654,777</u>	<u>479,278</u>
	2023 £	2022 £
Cost of sales		
Asset Management Costs	115,374	91,210
Fund Management Costs	38,239	33,592
FIT Reimbursement	1,521	811
	<u>155,134</u>	<u>125,613</u>
	2023 £	2022 £
Administration expenses		
Auditors' remuneration	2,970	3,330
Bank charges	176	172
Bad debts	934	-
Rates	397	3,240
Insurances	15,763	10,395
Repairs and maintenance	120,212	15,161
Depreciation - plant and machi...	172,782	138,426
	<u>313,234</u>	<u>170,724</u>

32% increase in electricity revenues compared to previous year
vs.
23% increase in operating costs

The apparent 83% increase in administrative costs, is mainly due to the creation of a c. £90,000 inverter/repairs reserve fund.

We have always had an inverter/repairs budget in each financial model, but had not before created a specific category for it in the overall accounts. As earlier inverters start to approach the end of their expected life, these reserves are now significant and thus now included as such in the accounts as a cost.

Accounts to 31st March 2023: Profit & Loss

	2023 £	2022 £
Turnover	654,777	479,278
Cost Of Sales	(155,134)	(125,613)
Gross profit	499,643	353,665
Gross profit %	76.3 %	73.8 %
Less: overheads		
Administration expenses	(313,234)	(170,724)
Operating profit	186,409	182,941
Interest payable	(161,153)	(139,087)
Tax on profit on ordinary activities	(6,361)	(60,624)
Profit/(Loss) for the year	18,895	(16,770)

41% increase in gross profits, including donations etc.

Which after the much higher administrative costs resulting from the creation of the inverter reserves of c. £90,000.

Means the CBS still made an operating profit before interest costs.

Interest costs were only 15% higher, but will need to increase in the future if we are to continue attracting funds and building more systems.

Overall, the Society made a profit, but given losses carried forward and inverter reserve account, will not be paying taxes yet.

Given progress towards having surpluses to distribute to schools, SOFS is working hard on finalizing a method to allocate them between schools for the current financial year.

Draft Accounts to 31st March 2023: Balance sheet



	Note	2023 £	2022 £
Fixed assets			
Tangible assets		5,415,893	3,867,334
		<u>5,415,893</u>	<u>3,867,334</u>
Current assets			
Debtors: amounts falling due after more than one year	6	1,910	8,271
Debtors: amounts falling due within one year	6	664,757	276,711
Cash at bank and in hand	7	56,312	82,476
		<u>722,979</u>	<u>367,458</u>
Creditors: amounts falling due within one year	8	(630,018)	(72,973)
Net current assets		<u>92,961</u>	<u>294,485</u>
Total assets less current liabilities		<u>5,508,854</u>	<u>4,161,819</u>
Creditors: amounts falling due after more than one year		(5,522,903)	(4,194,763)
Net liabilities		<u>(14,049)</u>	<u>(32,944)</u>
Capital and reserves			
Profit and loss account		(14,049)	(32,944)
		<u>(14,049)</u>	<u>(32,944)</u>

40% (£1,548,559) increase in fixed assets after additions and depreciation.

29% increase in long term liabilities, of which £369k are contributions to systems, which are allocated over the lifetime of the system.

Bonds increased from £3,505 million in previous year by £850,000 to £4,355 million.

Accounts to 31st March 2023: Summary



- 32% increase in electricity revenues vs. 23% increase in operating costs
- 40% increase in assets vs. 29% increase in liabilities to finance them.
- Administration costs have increased due to inverter reserve account.
- Electricity income more than enough to pay interest costs, operating costs, administration costs and depreciation.
- First ever overall operating profits, but previous losses carried forward mean no taxes are due.
- Some projects are now in profitable territory, so will start to accrue payments back to schools to be agreed/allocated at next AGM.
- True and fair view of the accounts and a viable going concern.

Confirmation of interest payments

- Given increase in RPI, all bonds will continue to receive the maximum interest rate of 5%.
- Interest payment costs will be: £222,114 and being put aside from this quarters revenues, the rest being re-invested in more projects.

Approval:

- Approve SOFS proceed to pay 5% interest to Bondholders in November.

Next:

- Bondholders will be notified and reminded to update payment details.

Voting: Approval of 28 new school members

To be accepted as one

- Gledhow Primary School – Gail Holmes
- Weetwood Primary School – Anna Ellison
- Cookridge Primary CofE VA School – Tracy Atkinson
- Alwoodley Primary School – Gary German
- Iveson Primary School – Jonny Fuller
- Abingdon Primary School – Lynsey Tonge
- Whale Hill Primary School – Paul Forster
- Shakespeare Primary School – Victoria Brinkworth
- Shadwell Primary School – Sana Qureshi
- Scholes (Elmet) Primary School – Sue Quirk
- Ashfield Primary School – Elspeth Warren
- Formby High School – Dominic Mackenzie
- Lanesend Primary – Graham Andre
- Grangetown Primary School – Jason Murgatroyd
- Greenhill Primary School – Matt Dawson
- Latchingdon Primary School – Suthan Santhaguru
- Southminster CofE Infants and Juniors - Malcolm Over
- Kings Norton Boys School – David Clayton
- Accrington St Christophers – Wendy Litherland
- Marsh Academy – Richard Mingo
- The Cambridge Primary School – Melanie Bark
- Lord Deramore Primary School – Eleanor Jones
- Huntington Primary Academy – Sue Wrenn
- Archbishop Holgate School – Sam Willsden
- Howbridge Primary School – Suthan Santhaguru
- St Mary's VA Foundation School – Matthew Curzon
- Guiseley Primary School – Simon Pemberton
- Two Village Primary School – Suthan Santhaguru



Lanesend team celebrate

Our Directors: Society Rules: up to 9 Directors

Current Directors

Marino Charalambous

CBS Chair
CEO of North Star
Academy Trust



Peter Roberts

CBS Treasurer
Project Management
Consultancy Director



Robert Schrimppf

CBS Secretary
Solar Options for Schools
Founder & CEO



Sian Herschel

CBS Director
School parent and
fundraiser



Wendy Litherland

CBS Director
Ass. Headteacher,
Director Sustainability



Julian Leslie

CBS Director
National Grid Head of
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Nathan Odom

CBS Director
Head of Estates at
the Discovery Trust



Ann Flaherty

CBS Directors
Solar Options for Schools
UK Director



Voting : Election of Directors

Election of new members: Rotation of directors: One third must retire at AGM: longest retiring first. A retiring director can be eligible for re-election. **Peter, Ann and Marino** to retire and stand for re-election.

Nominations:

Craig Ellin: Over 20 years' experience in central government property, including project management, benefits realisation, sustainability, finance business partner (property) and FM contracts management. Craig currently manages the £12m p.a. FM contract delivering services on behalf of the **Department for Education (DfE)** to over 70 properties in the asset management free schools' portfolio.

Anyone else who would like to shadow for a year with a view of becoming a director next year?

Approval of auditors



ALANBROOKES

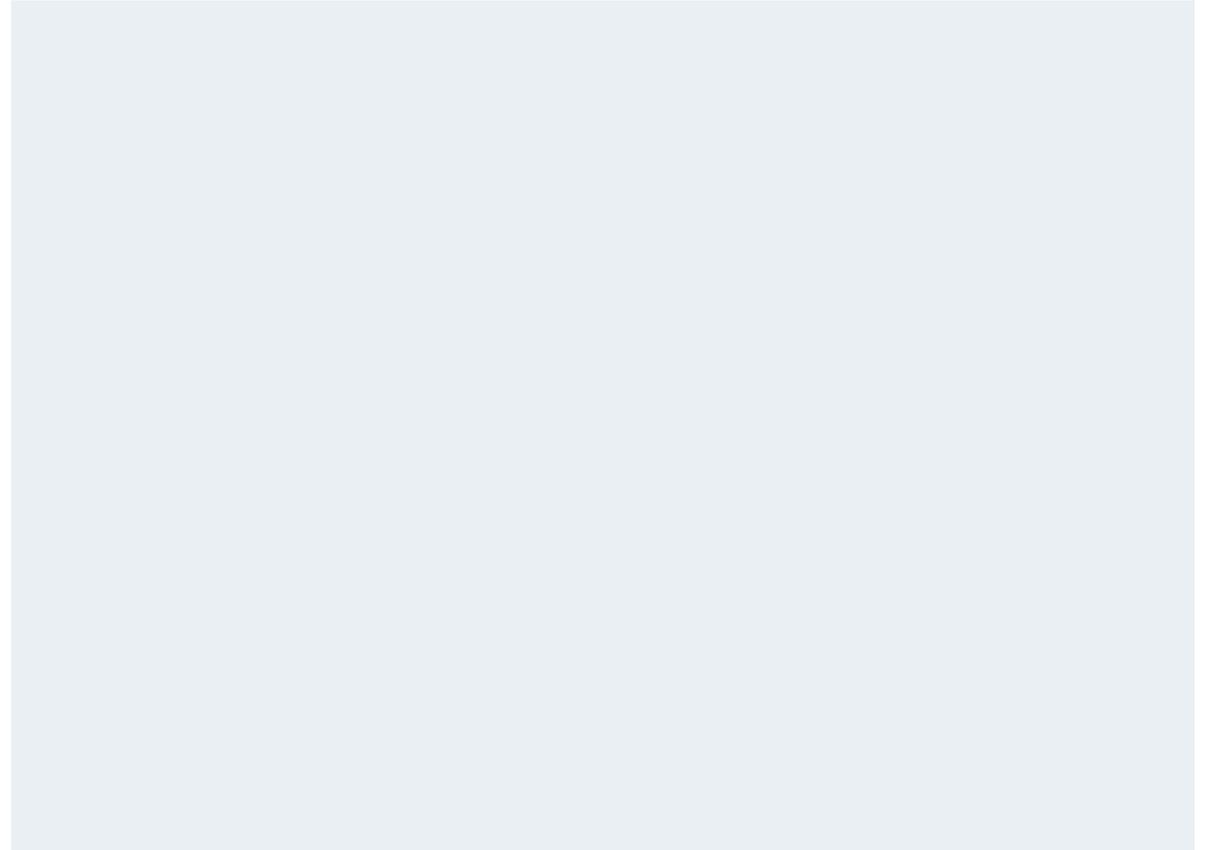
JS WEEKS & Co
CHARTERED ACCOUNTANTS

The Alanbrookes Group Ltd

24 The Glove Factory

Wiltshire

BA14 6RL



Other Updates



- ▶ Bond Offers
- ▶ Energy Prices and Solar Market
- ▶ Education update

Bond Offer VIII, IX and X



How you can help

Funding solar panels on schools by investing in the Solar for Schools Community Benefit Society is straightforward but you should be aware that your money is not guaranteed if the projects fail. Only invest what you can afford to lose.

[See Performance](#)

[See Governance](#)

[Apply for Bonds](#)

Raising fund MUCH harder than before, given high BoE interest rates.

- Bond offer VIII in March had a £1.5m target and only raised £1.2m in 4 months, despite investing in advertising.
- Launched Bond offer IX on EtheX 3 weeks ago, offering 5.75% variable linked to BoE +0.5% capped at 6.5% and have only raised XXX so far.
- In the process of launching Bond offer X directly via new CBS website and help from the schools to be funded. 5.5% fixed rate for 5 years.

May need to stop building, or increase PPAs to Schools to make economics work, if we can't raise ~8-9m over the next 9 months.

So talking to banks and other investors, but they all have conditions that reduce benefit to schools.

Energy Prices to schools and the solar market

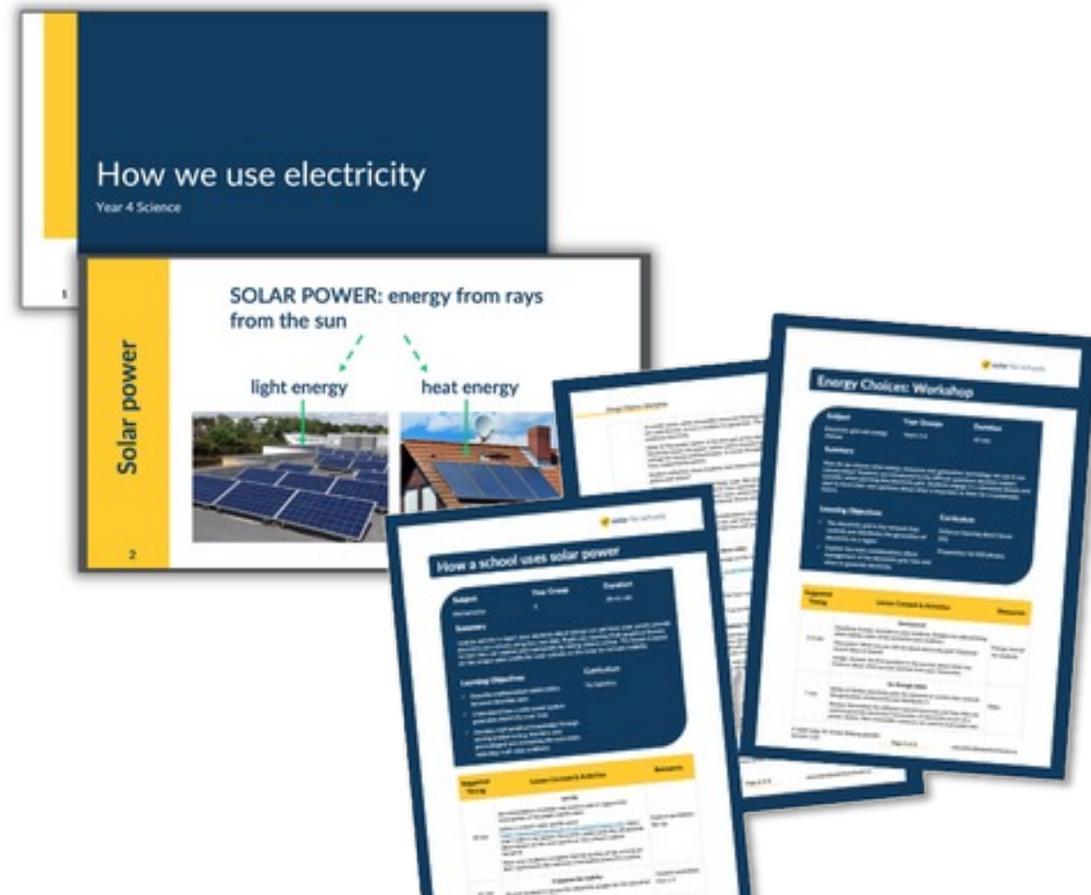
- ▶ Electricity prices coming down, but do not expect them to fall below 23p, so not recommending that schools enter into agreements above this, even though they may be paying over 30p at the moment.
- ▶ Installation costs rose rapidly at the end of last year, but have been falling since early summer and are back to similar to this time last year.
- ▶ The value paid for exported electricity peaked last summer and has been falling steadily to about 8p currently, but we are still using 3.5p in the financial models, to build up buffer.
- ▶ The number of school registrations has fallen significantly over the last 6 months, but have over 90 projects to be funded and built over the next 9-12 months.

Education update

- ▶ New brochure for schools to select education opportunities funded by the CBS.



Danielle Parker from SOFS delivering an introduction workshop to students



Examples of lesson plans and materials for teachers being rolled out



Any other Business and Q&A

- ▶ Volunteers to be interviewed on camera for our CBS videos.
- ▶ SolarforschoolsCBS.org.uk /.org?
- ▶ Your Questions:



*Thank you to all our members and bondholders.
YOU make this all possible*