

C.H.E.E.S.E. AGM Sept 2021 MA's Review

Notice sent on 19th/21st August. Minutes and Accounts sent 26th

Introduction by MA

I am Mike Andrews the Managing Director and CEO of our company - Welcome. Can I please remind participants that only directors and members are allowed to vote at this meeting. I hope we can do this by a show of hands.

First I must ask you for a vote on this motion:

That we may proceed with this AGM by remote attendance on Zoom.

Voting.

1. Welcome to Members, directors, energy tracers, volunteers, and those who want to learn more about our activities.

Introduce Nettie Burd - our full-time Office Administrator.

Sorry we cannot give you hospitality but Zoom does enable more people to take part. This AGM is late - our last one was on 6th February 2020, but Covid is not the only reason. We had to establish a relationship with our new accountants Steele Financial Ltd (not spelt steal!) and a lot has been happening in the last 18 months, which, I am delighted to report, has put our company in a very much stronger position.

4. Minutes

5. Comments on the accounts to June 2020.

Your will have seen the Directors Report on Page 2 of the accounts. I will just summarize:

We had extremely restricted funds at the start of the year and our cash-flow was saved by an extra few dozen surveys funded by other organizations at a higher survey price, customers gained thanks to our growing reputation. Not until January 2020 did we win a two year grant from Bristol Impact Fund of £7,500/year. Things were looking up with a further £4,500 grant from BWCE allowing us to start up in Bath, but then, tragically, Covid struck and I shut down all surveying on 19th of March. We thus missed the most important part of our survey season March/April, and, had we been able to continue, I am sure we

would have reached our target of 150 surveys. We had done 114, which compared well with 115 for the whole previous season. Now we have over 70 clients waiting for surveys. Our grant funders have thankfully extended our delivery dates to 2023.

Our turnover - page 11 of the accounts - was £27,699, almost identical to that of the previous year. We ended June with £19,078.18 in the bank - Our highest ever bank balance, but these were all restricted funds for future training and surveys, and we ended the year with a negative balance of £289. We had just about paid our way on survey income alone.

8. Review

I am going to talk less about what is in the written report, and more about what has happened since, as that is highly significant for the future of the company.

We were pleased to appoint one of our Energy Tracers, Rosamund Thomas as a director on the 15th August 2019 (give us a wave Roz!) but were very saddened to lose one of our founding directors, Sue Nicholls, who died on the 28th November 2019. Sue had made a major contribution to the development of the project. Right to the end she had attended meetings and helped to finalise James Gourlay's report on the outcomes of our surveys. This showed that two thirds of those surveyed began remedial work within a month, and 86% within a year. Excellent news.

2020 had begun very well for us. We were proud to win a 'Voscur' Environmental Impact Award, from the support and development agency for Bristol's Voluntary, Community and Social Enterprise sector. And then, with Maddy Longhurst's help, I submitted the complex application for a Futurebuild Award, to be judged by the Building Research Establishment. There were 400 applicants, and we were shortlisted. Then at the huge building industry exhibition at London's Excel Centre, just before it was turned into a Nightingale Hospital, Brian Harper made a pitch for us and won the Futurebuild Big Innovation Pitch. "The built environment's largest open call for innovation yet." Brian reported that at the *Futurebuild* lectures, people were speaking of the need to retrofit three thousand houses a day, at a cost of £25,000 each - totalling £1/4 to 1/3 trillion - there was nothing at all said about

community involvement or DIY. This gives our Project a remarkable opportunity to fill a gap in an enormous market - as being the first step for retrofit.

With the activities of Extinction Rebellion and Greta's visit to Bristol, we felt the tide of understanding that something had to be done about energy use was moving in our direction. But with no prospect of survey income we sadly could not extend Maddy's contract beyond mid-May. It was frustrating that we had had a very good exposure on Radio 4's *Costing the Earth* thanks to our Energy Tracer Zack Gill.

I had been applying, constantly, for grants, and we now gratefully received a £5k grant for training from the Sureserve Foundation (connected to the major retrofit business Sureserve - which we hope will be useful). Then another welcome £1,500 from the Triodos Foundation towards free surveys.

We had already been having a problem, over the years, of retaining our Energy Tracers (ETs) and from the 2019 course only 4 were signed off for their CPD diploma out of 8 trained; Chris, Dorian, Mark and Rob. Mark and Dorian are already moving away from Bristol. The break for Covid was not going to help as we had no work for them.

In May we began meetings about our future as a company. For 5 years we had been massively under-resourced in both people and cash. We thought that the pandemic would expand - and with little prospect of surveys before Autumn 2021 we decided to concentrate on business development and expansion. What we were doing had not worked in terms of growing the business - we had made dozens of unsuccessful grant applications.

Unfortunately to apply for the big grants needs a turnover over £50k and the Lottery refused to acknowledge us as a community business. We had proved our success, now we needed to be self-reliant. We had a simple story to tell: our tech provides a new route to DIY-style First Retrofit, which is 20 times more cost-effective than deep retrofit.

We had already obtained free Business advice from Peter Keevil of Bath University's DBAH funded by the EU. Now I also approached Phil Stott of YTKO - who have vast experience of helping start-ups. Both advised the same course - get CHEESE into profit and then franchise

it. Using CHEESE as both a test-bed and model to get the franchising right. They pointed out that we had been accumulating valuable Intellectual Property for five years, and we had proved our service model, but not the business case.

In May, with help of Maddy, I made a bid to Energy for Tomorrow, a charity offshoot of Centrica, which gets its funds from PV on 200 school roofs. This was based on the franchise model that we had developed meanwhile. They were offering large grants for business development.

Our new financial year in July began with the remarkable news from Sarah Wright that, subject to Due Diligence, they would award us £500k over three years to develop the business. They were extremely keen that we should continue our free surveys. We were told to expect funding by September, and were asked not to publicise the grant. So we could only celebrate internally. But it actually took *eight months* of negotiation before we got the first large cheque in February this year - an agonising wait! I am very sorry that the combination of Covid, the restriction on publicity, and the tantalising wait, meant that we have yet to have a party to celebrate this major funding success.

What we had agreed with Energy for Tomorrow was to set up a new company - on top of CHEESE - to be the franchisor company. It was to be a social enterprise, Ltd by shares to allow investment - but with an asset lock, a limit on dividends and a social benefit purpose. The new company would progressively take over Research and Development and training from CHEESE. We agreed with Jamie Hanlon's suggestion that it should be called First Thermal Ltd - reflecting that fact that our surveys should be the first step in retrofit. It is now registered, and we are about to appoint a company to advise on branding all our websites, publications, etc. We are very grateful that the solicitors TLT offered free legal assistance for our contract with EfT, and then half-price legal assistance on the several other contracts and licenses we needed. We have advertised for a General Manager to take over my role in due course.

We then contracted Euan Fraser as a franchise consultant to provide the expertise we lacked.

Survey management had proved very expensive in Maddy's hours, so by October I had expanded Maddy's hand-over notes to become the briefing for another expert found by Jamie, who luckily was already working on a franchise booking and payment system. Kai Davenport. Now we could contract him too. Jamie will give a short report later.

Following a survey of our ETs, which gave us a score of only 3.5 out of 5 for our previous training, by November we had decided the whole training had to be renewed - with much more available on-line, so that it would also be useful for future ETs for distant franchises. Roz kindly took this on together with an ET team of Rob, Nick Banks and Tricia to build on Brian Harper's original lectures. Roz will report shortly.

Brian was already working on a new expandable frame for the blower-door, which would allow one-person Energy Tracing. He also began trialling warmer weather surveys, which would have the important result of extending our season and income, and thus also the work for ETs. I hope he can give us a short report on this, later.

Brian also proposed we use a business model of renting out our camera equipment and blower door. He pointed out that if franchisees were paying a daily fee they were more likely to use the kit on surveys.

Jeremy had made remarkable progress with his own design Heatview thermal camera which incorporates the many features we need as well as higher resolution. I will ask him to report on it to you.

It was important that both the new and old companies had the same accounting years. So we had to change accountants as BCAP only deal with not-for-profit companies. So that was why we selected Steele Financial who use a highly automated Xero accounting system. I am pleased to say that Nettie has also taken on the role of Book-keeper and has started to master the system.

So everybody who has worked with us since 2019 - and before, including our volunteers - deserves credit for a remarkable turn-around in the prospects for our company. We are now advertising for a new survey and development manager - 3 days a week year-round. We hope to start surveying again as soon as it is colder, and to hold an Energy Tracer's training course in Late October or November - all still dependent on the Covid virus.

Mike Andrews 7 Sept 2021