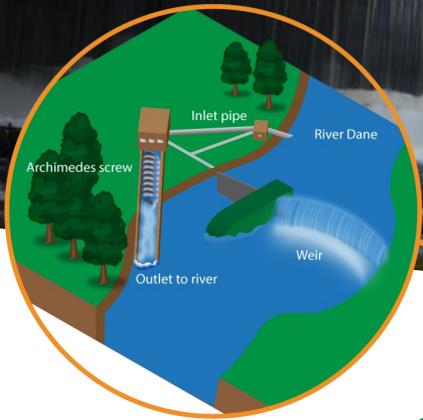




Share Offer Document

Invitation to invest in a community owned hydroelectric project on the River Dane near Congleton, Cheshire



A Community Hydroelectric Generation Scheme to Reduce CO₂ Emissions and Generate Funds for Local Projects

By Supporting This Project You Would..

- ◇ Enable carbon-free generation of 260,000kWh of electricity per year*
- ◇ Provide £100,000 for local community projects & organisations over 20 years
- ◇ Increase awareness of environmental issues by provision of an accessible educational resource for local schools and colleges
- ◇ Help to maintain Congleton's industrial heritage

** sufficient to power 60 homes*

Long-Term Investment Opportunity...

- ◇ Invest between £100 and £70,000
- ◇ Planned average annual rate of return 4% over 25 years
- ◇ Capital returned over 25 years
- ◇ Invest on behalf of children, grandchildren or a nominated beneficiary
- ◇ Early redemption possible*

** subject to availability of funds at time of request*



**David Mc Gifford—Chief Officer
of Congleton Town Council**

“Congleton Town Council has fully supported this renewable energy project since its inception and is delighted to see it now coming to fruition, it gives the community its first opportunity to invest in a local energy project created by volunteers”



**Sally-Ann Holland—Congleton Town
Mayor**

“As the Town Mayor of Congleton I am delighted to see this long awaited project starting to become a reality. Not only will it redirect renewable energy back into the community, but it will be an educational tool for future generations to see how we can harness what is already available to us and transform it into clean energy.”

A Welcome From The Directors

Dear Potential Congleton Hydro Investor

Australia is burning. Indonesia is drowning. We have record temperatures and floods here in the UK. We hear every day about the climate change emergency and yet it seems the vast majority of us have been desperately slow to respond.

You may even be feeling some personal guilt. Just this morning, you may have driven a petrol or a diesel powered vehicle. You ate meat for dinner last night. You booked a flight to Europe or further, turned up the heat, or horror-of-horrors you left your reusable shopping bags at home. Of course, our options are limited in terms of what we as individuals can do to make a real difference but; can you honestly say you've taken any significant steps towards reducing your own carbon foot print? If you have, then you're to be congratulated, but are you striving for ways to do even more to help the planet? Well, Congleton Hydro, which will be owned and operated by [Dane Valley Community Energy \(DVCE, a registered Community Benefit Society\)](#) is offering you a unique opportunity to invest your money where your conscience lies. What is more, you'll know exactly how and where your money is being used.



A similar scheme to that proposed

You can become a member of Congleton Hydro by subscribing to shares in the society. These shares will be used to fund the building of a 75kW hydro scheme at Havannah Weir on the River Dane just north of Congleton. In return you will receive an annual return of 4%* over a 25 year investment period.

The Congleton Hydro scheme is one of the last in England to lock in a guaranteed government [renewable energy subsidy which](#), together with the support we have procured from [industry partners](#), has enabled us to develop a financially viable scheme. Not only will the project deliver carbon free power, but it will also generate funds for local community projects and [environmentally focused](#) educational initiatives for adults and school children alike.

The Hydro scheme we are proposing relies on an [Archimedes screw](#) to convert the potential energy of the river flow to electricity. This type of equipment is [extremely robust](#) and we expect the life time of the scheme to be in excess of 40 years. Your investment in Congleton Hydro can bring both long term returns and benefits alike.

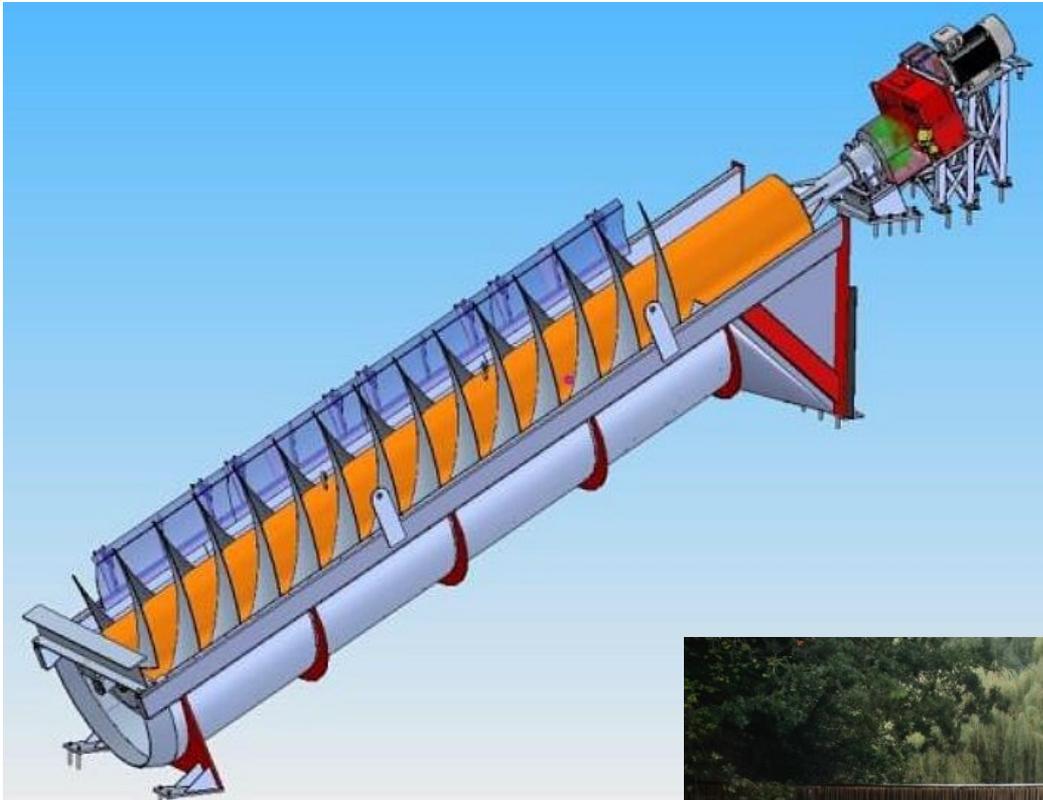
Finally, as a [Community Benefit Society](#), we are committed to encouraging people to get involved in taking responsibility for looking after their environment. Should you invest with us, as a member of Congleton Hydro you will join a community of people who want to make sure their money is put to good use. We want as many people as possible, [especially local people](#), to support this Community Hydro Scheme. All members are important to us, and we welcome investments from £100 to £70,000. You will also have an equal say in the decisions regardless of your level of investment.

So, Invest in Sustainability, Invest in the Environment, Invest in our Children's future..... [Do Invest in Congleton Hydro.](#)

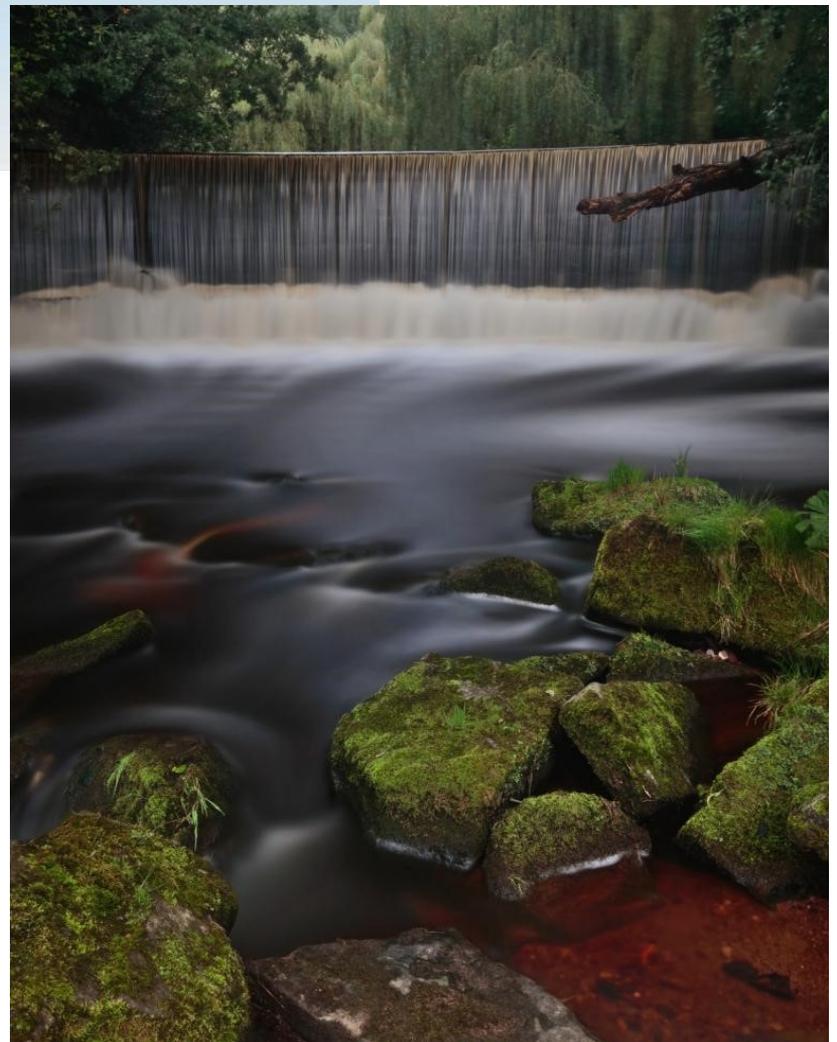
We look forward to welcoming you as a Member of Congleton Hydro.

* *Subject to terms, conditions and risks as explained in Sections 6, 9 and Appendix B*

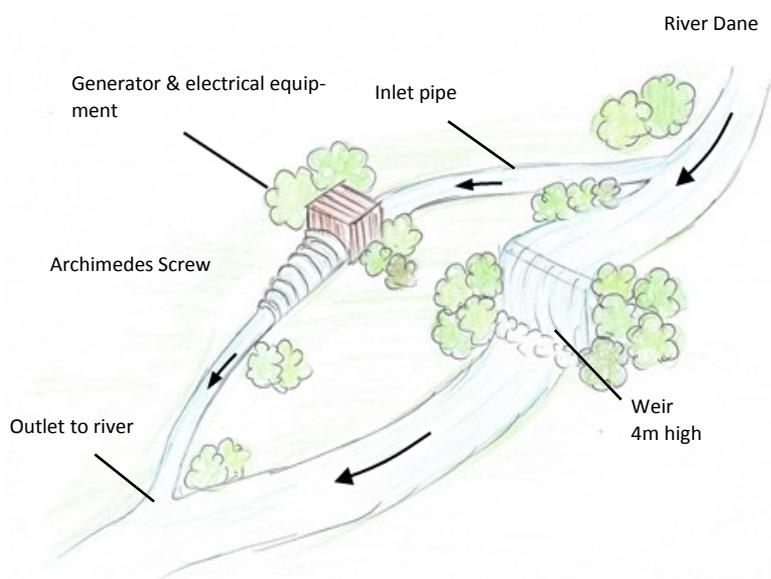
Congleton Hydro



A semi-compact Archimedes Screw



Havannah Weir



How it will work

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1. Who are Dane Valley Community Energy?

Dane Valley Community Energy Ltd (DVCE) is a not for profit community benefit society formed and driven forward by a group of professional, knowledgeable and environmentally conscious volunteers. As elaborated in Appendix A, team members reside in Congleton and the surrounding district and share a commitment to developing and operating the Congleton Hydro scheme for the benefit of the environment and the local community.

DVCE has established a working relationship with, and project backing from various partners including Siemens plc, HMK Ltd and Eaton Bank Academy.

DVCE is registered as a Community Benefit Society with the Financial Conduct Authority (FCA) (Registration Number 7142). This legal structure is regulated by the FCA and governed by rules, which can be viewed at www.congletonhydro.co.uk.

The rules ensure that, for example:

- The assets of the company can only be used for the benefit of the community (Asset Lock).
- Control of the Society is by the members on a one member, one vote principle.
- Disposable profits from the project will be used to benefit the local community.

The Society has been operating since October 2016. It initially received a grant of £16,800 from WRAP (Waste and Resources Action Programme) for a feasibility study and then obtained a loan of £56,339 to develop the detailed design, procure the land and obtain all necessary planning consents.

This share offering will need to raise £731,000 to allow construction and commissioning to be completed. Details of the construction costs are shown in Appendix C.

2. The Proposal

DVCE propose operating a community owned renewable energy scheme on the River Dane at Havannah Weir, just north of Congleton in Cheshire.

The scheme will produce revenue by selling hydro-electricity to a local factory owned by Siemens plc at a commercial rate. The income received will allow DVCE to:

- ◇ Generate £100,000 over the first 20 years to help fund Community and Educational Projects. It is envisaged that community organisations will be invited to propose suitable projects, especially those related to the Environment and Sustainability. Funds will then be allocated to projects which are selected by a panel drawn from the local community with ongoing assistance from DVCE.
- ◇ Institute an Educational Resource for Schools and Community Groups. An Education Plan is currently in preparation with the assistance of the science leads from several local schools, to produce a range of modules and interactive learning experiences for children, young people and community groups. These modules will enable participants to learn about the generation of “Green Energy” within the natural environment and will focus on the importance of biodiversity, sustainability, woodland and environment management and how STEM knowledge (Science, Technology, Engineering and Mathematics) underpins all aspects of the Hydro Scheme. It is envisaged that participants can then become “Green Champions” back in their community or place of learning. The Educational programme will be initially targeted at local schools and Community groups but once operating smoothly will be publicised further afield e.g. to the wider Cheshire East Schools and Community Groups and across the border into Staffordshire.
- ◇ Construct an Accessible Boardwalk so that groups participating in the educational programme, escorted by trained volunteers, can visit the site and surrounding woodlands. The Boardwalk will also be used for servicing access to the hydro generation equipment and to facilitate future remedial and maintenance work to the weir structures.

This document contains an invitation to apply for shares in Dane Valley Community Energy Ltd in return for a average 4% interest payment made over a 25 year period (see details in section 6). You can invest as little as £100, or up to £70,000. It is anticipated that a total of £731,000 will be raised. If the share offering raises a minimum of £400,000 the board will seek alternative financing for the balance. If the share offering combined with suitable loans does not result in sufficient funds being raised, all monies will be returned to applicants.

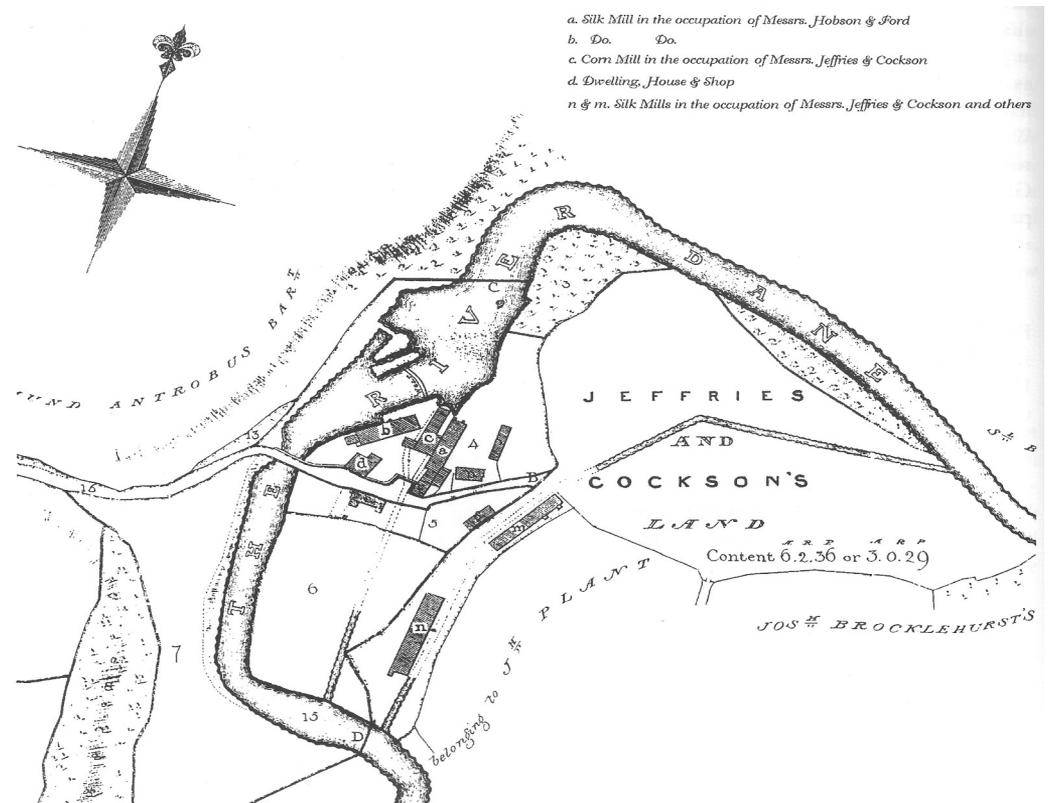
Investors should appreciate that any investment they make is a declaration of their support of the Society’s aims. Purchasing shares in DVCE should be regarded as an investment for the environment and social purposes, but also one which is intended to produce a financial return. See Section 6 for more details.

3. Site History

Congleton Hydro at Havannah

Water power on the River Dane has a long history, greatly influencing the economic development of Cheshire. Indeed, there are believed to have been more than 80 water mills along the length of the Dane, from Hug Bridge to Northwich where it joins the River Weaver on its way to the Irish Sea. Although there is still plenty of physical evidence of their existence, not least in the form of weirs, sadly the power of the Dane has run largely to waste since the 1960s. However, the need for clean, renewable power has brought about a renaissance for small scale hydro-electricity and the Dane is awakening to carry out its work once again. A successful scheme is in operation on the same river at Cranage, approximately 8 miles downstream.

Located about a mile upstream of Congleton town centre the area is known as 'Havannah' which was created as a greenfield industrial settlement in the 1760s. The name 'Havannah' was given to the area by Charles Roe, the original developer, to celebrate the capture of Havana, Cuba, by the Royal Navy in 1762. Charles Roe was a Macclesfield industrialist with interests in silk, copper and brass.



Estate Map of 1825

4. Detailed Description

What is it?

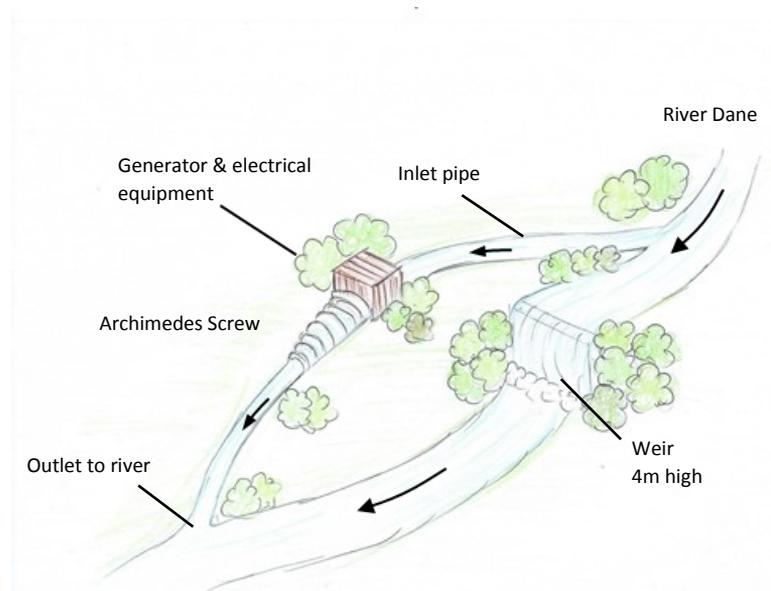
A Micro- Hydro Scheme using the energy produced by the Havannah Weir to generate electrical power.

- ◆ The scheme is predicted to generate on average more than 260,000 kilowatt hours per year, enough to sustain about 60 homes. (The amount of electricity generated at any one time will depend on the river flow rate. The overall performance figures are based on projections by our consultants [Derwent Hydro Ltd.](#)).
- ◆ The scheme is predicted to produce revenue of about £53,000 per year which will rise with electricity price inflation (See Financial Model in Appendix C), enough to repay shareholders and contribute to community and environmental initiatives for decades to come.

How does it work?

Energy from the weir is related to height and flow

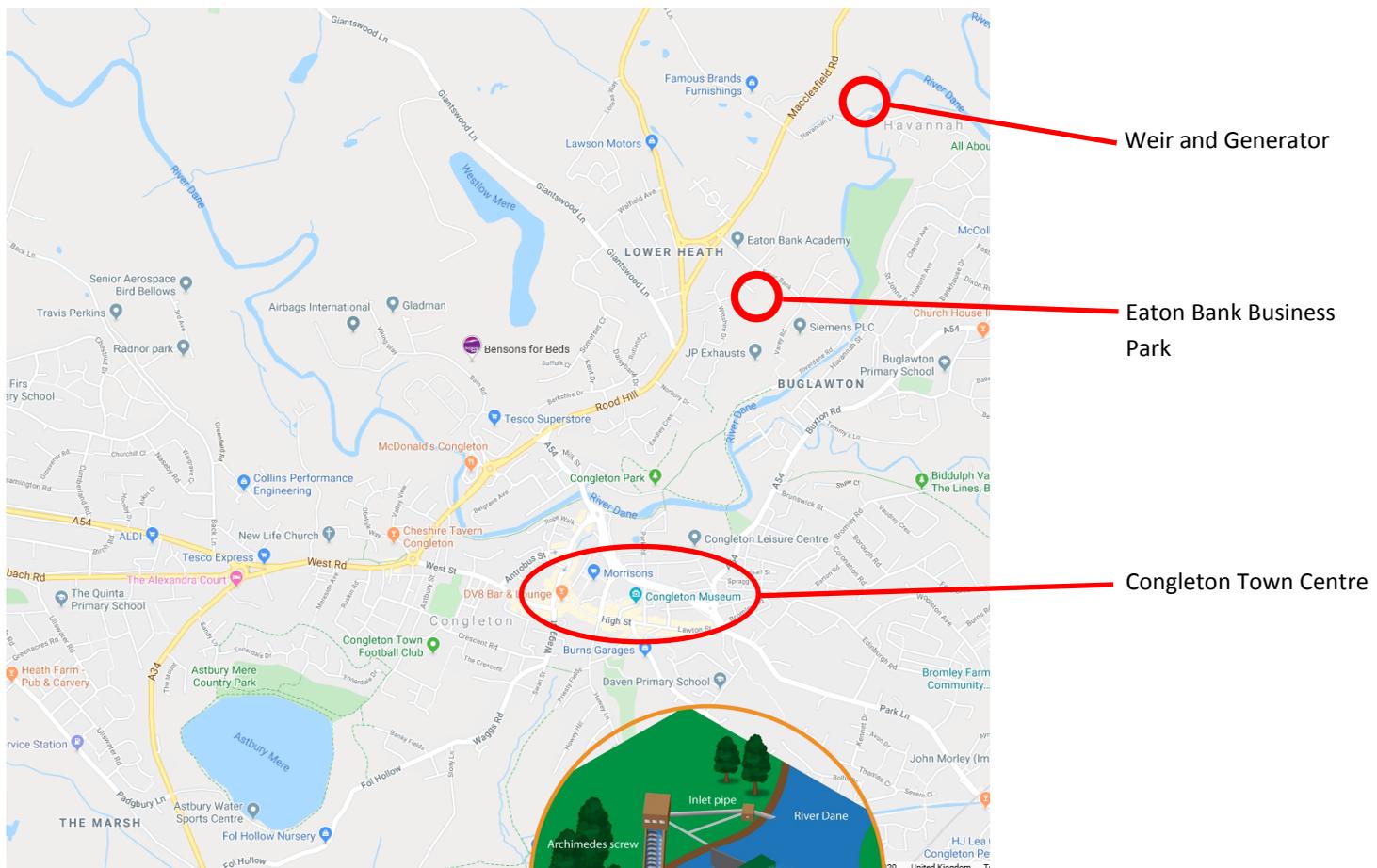
- ◆ Water taken in via a pipe from above the weir flows through an Archimedes Screw and causes it to rotate. The screw is coupled to an electric generator and control system.
- ◆ Output from the 75kW generator is transmitted at 400V to Siemens via a dedicated cable.
- ◆ Having passed through the screw, the water is returned to the river.
- ◆ The screw is fish friendly and there is zero water loss.
- ◆ Sophisticated electronics enable maximum output over a wide range of river flow rates by controlling the speed of rotation of the screw.



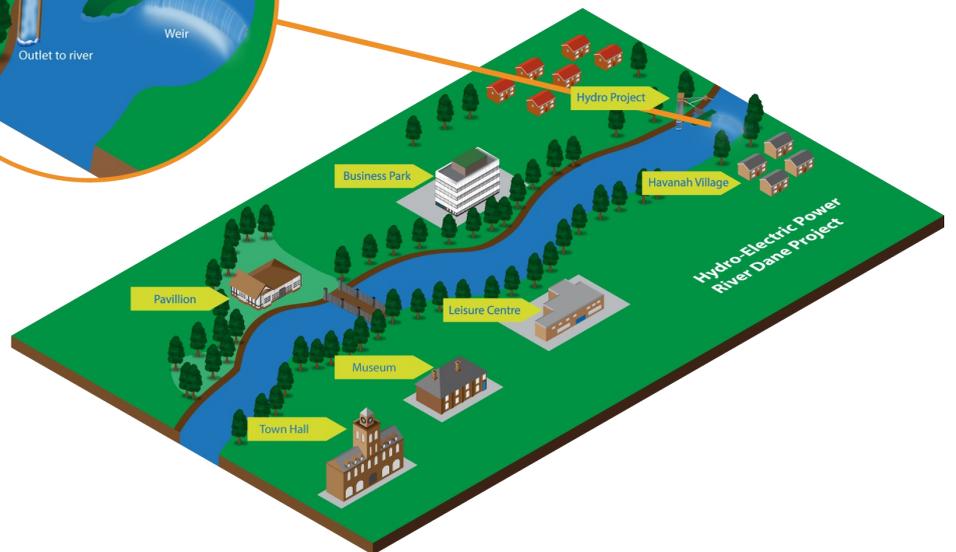
4. Detailed Description (cont.)

Where is it?

The scheme is located on the River Dane at Havannah Weir, just north of Congleton. It will feed its power into the Siemens factory on the Eaton Bank Business Park.



Excerpt from Google Maps



5. Status and Schedule

Current Status

Over the past 3 years the DVCE team has commissioned a feasibility study and a number of impact studies on species (fish, bats, otters), geomorphology and trees to find the optimum design, location and means of constructing the hydro scheme.

- ◆ A Water Abstraction licence from the Environmental Agency was obtained in April 2018 and a grid connection agreement has been secured from Western Power Distribution plc.
- ◆ Planning Permission was granted by Cheshire East Council in March 2019 and OFGEM have approved an application for the Feed-In-Tariff (FIT), which is guaranteed for 20 years from first generation.
- ◆ Following detailed design work, quotations for performing the necessary civils work as well as installing the electrical and mechanical equipment donated to the project by Siemens plc and HMK Ltd have been obtained.

Project Schedule

End January 2020: Issue Share Offering.

February 2020: Removal of a small number of designated trees to allow access and construction as well as to protect weir infrastructure (should be completed before March to avoid conflict with bird nesting).

End of March 2020: Raise capital.

April 2020: Order Screw.

August 2020: Begin construction.
(may begin sooner if a variation to planning conditions is approved)

December 2020: Commissioning.

6. Your Investment

How will your investment be used?

The total sum sought from the share offer is £731,000. This is the total estimated capital and development cost (including a 10% contingency), less the value of a grant and equipment donated to DVCE by Siemens plc and HMK Ltd.

It is forecast that the scheme will produce an operating surplus of £197,000 over 20 years, comprising £100,000 currently designated for charitable funding and £97K of net surplus which is currently held in reserve. A further £89,000 operating surplus is projected during the following 10 years.

After taking into account any unforeseen costs as much as possible of the remaining funds will be used for community led projects and other environmental or educational activities.

This assessment is based on achieving the “as designed” power generation estimate, anticipated minimum electricity retail price and FIT escalation rates and projected operating and maintenance costs (a discussion of the financial risks to the scheme is provided in Section 8).

Managing your Investment

Investing in the Congleton Hydro scheme is principally a social investment but will also provide a fair financial return. The level of interest will be proposed by the Directors of DVCE annually and be subject to members’ approval at the Society’s AGM.

An annual payment will be made to shareholders based on a staged return of capital and an interest payment which is projected to achieve an averaged rate of return of 4%* over the 25 year period. For a £1,000 investment, a total sum of £1,696 would then be repaid over the twenty-five year period (subject to financial performance). Because our primary objective is to benefit our local communities this rate of return is not directly linked to the annual surplus of DVCE.

If necessary, DVCE would aim to provide liquidity by raising more capital at a future date via issue of bonds to enable some shareholders to withdraw their shares before the end of this period.

Share Timetable

- * Offer Opens 1st February 2020
- * Offer Closes 31st March 2020 (or when the target of £731,000 has been reached)

The offer close date may be extended if the target share capital amount has not been achieved.

* the interest paid on any capital that has not yet been returned will be at an average rate of 4% over the 25 year period (see Appendix C)

6. Your Investment (cont.)

Who can invest?

Individuals over the age of 16, corporate bodies, incorporated voluntary organisations and public sector investors. A hydro scheme is a long-term investment with a return which will span the generations. Parents and grandparents can invest in DVCE now on behalf of their children and grandchildren.

How much can you invest?

You can invest any amount between £100 and £70,000. Each share is valued at £1.

Investment benefits

- ◆ You'll be making a contribution to the environmental and community based initiatives of Congleton and the surrounding district.
- ◆ You'll get a vote at the AGM of DVCE. All members will have one vote each, regardless of how many shares they hold.
- ◆ You'll have the right to nominate and vote for the DVCE Board of Directors according to the rules of the society and to participate in the AGM and other means of deciding on the running of the society.
- ◆ You'll have the opportunity to stand for election as one of the volunteer directors of DVCE.

Rules for returning capital to investors

- ◆ We strongly encourage investors to view their shareholding as a long term commitment to the Congleton Hydro project.
- ◆ Starting at the end of the second year of operation DVCE plans to annually buy back shares from shareholders. The buy back from an individual shareholder is forecast to be in proportion to their shareholding. The cumulative annual buy back is planned to be 1/24 of the original share capital (resulting in all shareholders being paid off in 25 years).
- ◆ The Directors reserve the right to limit the quantity of shares that can be sold back to DVCE within any 12 month period in the event that insufficient cash is available. This limit will be administered in as fair a manner as possible.
- ◆ In the event of the death of a Member of the Society their personal representative can apply for withdrawal of the Share capital. Return of Share capital under this provision will be prioritised by the Board to cover any other return of Members' capital.
- ◆ On the death of a shareholder, their shares can be transferred to a beneficiary.

6. Your Investment (cont.)

Financial Guidelines

Members of Community Benefit Societies do not have access to the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS). It is therefore important to note that you risk losing some or all of the money you invest if the Society ceases to trade.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager or solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) or from another appropriately authorised financial adviser.

The content of this document has not been approved by any authorised person within the meaning of FSMA. Reliance on this document for the purposes of engaging in an investment activity may expose an individual to significant risk of losing some or all of the money she/he has invested.

Nothing in this document constitutes investment, tax, legal or other advice by DVCE, its directors or advisers.

Due care and attention has been taken in preparing this offer document. The process has been overseen by the directors of DVCE who can assure you that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of DVCE. The share offer has been prepared in line with guidelines provided in the Community Share Standard (<https://communityshares.org.uk/standard-mark-investors>). It has also been independently reviewed by Shareenergy Ltd.

If you are in any doubt about whether to invest you should seek independent financial advice

7. The Business Case

Income

The Electricity generated by the scheme creates two sources of income. Electricity is exported to a local manufacturing site (owned and operated by Siemens plc) and sold to them at a commercial rate which is negotiated annually. Additionally, the government's Feed-In-Tariff scheme currently pays a rate of 8.03p/kWh, which is adjusted annually in line with RPI and is guaranteed for 20 years.

Operating Costs

The scheme is highly automated and largely runs unsupervised. Regular clearance of debris from inlet grills is required, but this will be provided by volunteer labour. Routine maintenance such as oiling and greasing is also provided by volunteers. Consequently operating costs are limited to technical support in the event of a failure, indemnity and breakdown insurance, metering charges and internet connection charges. A substantial allowance for major maintenance activities has been included in the business plan during years 10 to 30.

Forecast Gross Surplus

Based on the historical flow / duration statistics for the river the scheme is expected to generate an average gross surplus of approximately £47,000 in year 2 and leading to a cumulative gross surplus of £684,000 by year 2041.

Annual Payments

The gross surplus will be used to repay capital and pay interest to shareholders and to make charitable donations to local community projects.

Appendix C provides a detailed analysis of forecast performance.

8. Operating the System

DVCE is a Community Benefit Society run by 6 Directors who were elected by the current DVCE Society members at the 2019 Annual General Meeting, assisted by 5 committee members. These are the only existing members of DVCE. New members will have identical voting rights to existing members. The Board will manage the allocation of shares during the share offering and continue to run the Society until the next AGM. The next AGM will be held as soon as possible after the share issue has closed and the capital for the project has been raised. Once the full membership of DVCE has been established, members will be invited to come forward for election onto the Board of Directors.

Once the Congleton Hydro scheme is commissioned and running, day to day management and oversight of the scheme will be entrusted to a sub-group of Directors and committee members living locally and appointed by the Board. The sub-group will be responsible for arranging and overseeing maintenance operations, metering, accounting, reporting and administration.

As soon as an operational surplus is available local organisations will be invited to apply for grants. The fair allocation of the grants will be decided by the Directors on the basis of maximising community benefit and increasing Congleton's sustainability.



9. Risks

All projects involve an element of risk. Successful projects manage and mitigate the risk appropriately. The following events or event types have been identified and evaluated in terms of both their likelihood and their financial consequence. Measures to monitor and minimise these risks have been identified. As the project proceeds any further emerging risks will be treated in the same manner.

As DVCE has been incorporated with limited liability, **the liability of its members will be limited to the amount paid for their shares.** However, prior to making any decision to apply for shareholding in DVCE you should carefully consider the specific risk factors described below which are considered to be material in relation to the financial sustainability of the Society.

Risk	Comment
DVCE may not raise sufficient capital for the project to go ahead	If this situation occurs the Directors will seek alternative financing. If the target is still not reached all monies will be returned to investors.
The amount of electricity generated by the scheme and therefore the revenue, is dependent upon the river flow rate. This varies both from day to day and from year to year. The revenue may be less than predicted by the financial model.	The power generation model is based on extensive historical evidence from river flow gauges and catchment area rainfall. While power generation over a single year may be lower than predicted, there is high confidence that the target will be met over several years. The forecasts have been sanctioned by Derwent Hydro Developments Ltd who have operational experience of many similar schemes.
The Financial Projections assume the Project will qualify for the Feed in Tariff of 8.02p per kWh; however, this will only be secured if the Project is commissioned before September 2021	The current schedule shows completion and first generation by January 2021 assuming construction begins in August 2020. Therefore there is adequate slack time in the project to mitigate any slippage.
The abstraction license may be reviewed by the Environmental Agency, resulting in a change in the license conditions and the ability to utilise the full design flow.	Not considered to be a likely occurrence. No evidence this has ever impacted other similar schemes.
The capital costs are based on estimates and quotations obtained prior to the share issue.	Every effort has been made to ensure the cost estimates are realistic including appropriate ground investigations. Any subsequent increase in capital costs will be met with a substantial contingency. Should this contingency be exceeded additional funding would be sought from shareholders. There is substantial margin in the estimated return from the scheme to allow continued financial viability

9. Risks (cont.)

Risk	Comment
Turbine or electrical equipment fails during operation leading to interruption in supply and even prolonged outage	Most of the electrical equipment has been supplied by Siemens who have agreed to ensure it is maintained. Additionally, a planned insurance policy will compensate DVCE for loss of income due to equipment breakdown or damage by external factors such as severe flooding.
Costs associated with the management and maintenance of the project and debt servicing may increase beyond the rate of inflation currently allowed for within our financial modelling.	There is margin in the estimated return from the scheme to allow continued financial viability even with increased costs .
Siemens terminates agreement to purchase power at agreed rate.	A Memorandum of Understanding has been signed with Siemens plc (which has been operating on the site for 40 years) to ensure their continued support. There are many other factories on the same estate which could be approached if in the future Siemens plc are not able to consume the full output of the scheme. However, this might jeopardise the payment of FITs.
Changes to the rate of inflation could affect the scheme's financial viability.	Financial modelling has been based on an assumed inflation rate of 2.5%. However, over the past 20 year electricity prices have risen at an average rate of 4%, which would improve the forecast. If average inflation is less than 2% average over the 25 year period there might need to be some reduction in charitable payments.
The structure of the weir may degrade during the operational period.	The weir has been in operation for nearly 300 years. The hydro scheme does not affect the stresses on the original structure. An equipment and infrastructure maintenance provision has been made in the financial planning.

NOTE: Should DVCE get into financial difficulties, it may not be in a position to pay interest to its investors. It may have to suspend your rights to withdraw shares; you may lose some or all of your investment.

Appendix A - The Team

The core members of the team have worked together on the Project for the past 3 years to develop the design and obtain all the necessary planning and Environment Agency consents. The team, who are all volunteers, have professional backgrounds in Engineering, Management and Finance. Several of them have visited and learnt from similar schemes in the UK and have also spent time with the research staff at Lancaster university who have specialisms in this area of Hydro Engineering. A key “associate member” of the Team is Olly Paish from Derwent Hydro. Derwent are specialists in small scale Hydro Systems and have a proven track record in the UK with many similar successfully operating schemes. They have been involved with the Project since its inception and will continue their association with us during the build and commissioning programme. Information on Derwent Hydro can be found at www.derwent-hydro.co.uk.



Chairman – Paul Guymer BSc (Director)

Paul has a degree in Chemical Engineering with 40 years of experience in performing and managing multi-discipline projects for civil nuclear power stations worldwide. He recently retired as director and part owner of a Congleton based engineering consulting business in the nuclear industry. Paul has been living in Congleton for nearly twenty years, was a key member of the Congleton Park Hydro Scheme development, and has a strong interest in promoting carbon free energy sources such as that being developed at Havannah Weir.



Secretary – Mervyn Sara BSc (Director)

Mervyn has worked as an electronics and electrical engineer for 42 years. Past roles have included product development of variable speed drives and technology management for the electrical power distribution industry and offshore wind farm projects. Mervyn has lived in Congleton for 37 years and his motivation for involvement in the project is to reduce the World’s dependency on fossil fuels and to generate cash to support local causes.



Treasurer – Garry Knapper (Director)

Garry is a retired Fellow of the Chartered Association of Certified Accountants. Following training with Price Waterhouse in Birmingham he spent several years with the Michelin Company before moving to the Siemens Factory in Congleton, where he was the Finance Manager for Engineered Industrial Projects. Until his recent retirement, he was the Financial Director for the Siemens Energy Instrumentation and Control Business based in Manchester. His expertise gives Congleton Hydro a solid breadth and depth of financial acumen.



Marketing, Public Relations and Education – Bob Owen CEng MBE (Director)

A Chartered Engineer and Fellow of the Institute of Engineering and Technology. Until recent retirement was a General Manager in Siemens responsible for Congleton based R&D activities and then for a Large Project Engineering business. A former vice-chair of UMIST and Chair of the Joule Centre for Renewable Energy Research, Bob is a proud Welshman and has lived in Congleton for the past 40 years.



Congleton Sustainability Group – Peter Aston (Director)

Peter retired in 2011 from general management in the automotive and transport sector building cars and trains. He became Chair of Congleton Sustainability Group in 2009, amongst other charity trusteeships, to nudge the town towards better ‘green’ credentials. The group has championed its apple juice project, saved Vale Allotments from housing development, nurtured all schools in the town towards Green Flag Eco-Schools status, pushed cycling infrastructure improvement and has been deeply involved in the local Neighbourhood Plan. Peter has previous experience with small scale hydro schemes having been a key member of the previous Congleton Park Hydro proposal.

Appendix A - The Team (cont.)



Civil Engineering Specialist – David Page

David Page is a retired Civil Engineer who has over 20 years direct field-experience of building and civil engineering projects at home and overseas – including two projects in the water-industry. This was followed by a further 25 years as a freelance Consultant within the industry – acting mainly for Client-bodies – variously as Project Manager, Contract Administrator or Planning Supervisor.



Technical Director – Dr Paul Hopewell BEng PhD CEng FIET (Director)

Paul is a chartered engineer with a 30 year career in electrical engineering, including wind, hydro, tidal and solar. He is excited to be involved in the Congleton Hydro project, having previously designed the electrical infrastructure for a 200 kW hydro scheme in Lancashire and served on the board of Torrs Hydro.



Health & Safety Specialist – David Gartside

David Gartside is a Chartered Civil Engineer who spent most of his professional working life in the chemical and pharmaceutical industries - latterly in site management roles, and then as head of SHE:Safety Health and Environment for a FTSE 100 company. Following early retirement from that role he served as a Board Member of the Health & Safety Executive for six years.



IT Specialist – Georgi Georgiev

Georgi has a degree in nuclear engineering and works as a nuclear risk analysis consultant. He has over 15 years of experience supporting various nuclear power plants in their safety assessments.



Congleton Town Council Councillor – Mark Rogan

Engineering Graduate of KISS University. Sometime photographer, full-time tree hugger. Environment always has a capital "E"!



Congleton Town Council Councillor – Martin Amies

Martin sits on the Community & Environment and Personnel committees of Congleton Town Council. Additionally he is a member of Congleton Market Working group and the Astbury Mere Trust.

All directors are volunteers, and any shareholder / member can apply to become a Director, subject to election at an AGM.

There are no known conflicts of interest between current Directors and the Objects of the Society.

None of the directors of the Society have, for at least the past five years, received any convictions for any fraudulent offence or otherwise, or been involved in any bankruptcies or receiverships, or received any public recrimination or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court .

Appendix B - Terms and Conditions

1. Your Application

- 1.1 You cannot withdraw your application for shares after we receive your application form.
- 1.2 Your application may not be accepted and it may not be possible to allocate you all or any of the shares that you requested.
- 1.3 Your application will be considered for approval at the first DVCE Directors' meeting after the share offer has closed. Therefore you should not expect an immediate response.

2. Your Promise to Us

- 2.1 Your cheque will be honoured on presentation (BACS payment is also available).
- 2.2 You, as an individual, are at least 16 years of age;
- 2.3 You have authority to sign the application form. If you are signing it for another person or on behalf of an incorporated organisation, you will provide the Directors with evidence of your authority to sign if they ask to see it.
- 2.4 You will supply us with proof of your identity and address if the Directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2007; the Directors may have to hold back your shares until they see this.
- 2.5 You are not relying on any information or representation which is not included in this document in deciding to invest.
- 2.6 You will be bound by the rules of DVCE Ltd. if the directors issue shares to you.

3. Your payment

- 3.1 The Directors will acknowledge receipt of your cheque/BACS payment and application within 14 days of receipt. They may cash your cheque as soon as it is received. DVCE will hold your money on trust for you until your application is considered.
- 3.2 If your application for shares is unsuccessful, your money will be returned within 28 days of the Board of Directors' meeting at which share allocations to applicants are decided. If fewer are issued to you than you applied for, they will return the balance to you within 28 days of that Board of Directors' meeting.
- 3.3 The money will belong to DVCE as soon as shares are issued to you (to the extent that they take it as payment for shares).
- 3.4 DVCE will not pay you interest on any money it returns to you. In the event of DVCE ceasing to trade, shareholders can be repaid up to a maximum of £1 for every £1 share owned once all creditors have been repaid in full. However, you could lose some or all your investment if the Society ceases to trade.

4. Your Shares

- 4.1 Shares are non-transferable (except as defined in paragraph 4.2)
- 4.2 In the event of the death of a shareholder, the value of the shares will be paid to the estate of the deceased (subject to sufficient funds being available and Directors' approval). Alternatively, shares can be transferred in accordance with instructions in their will.

Appendix C - The Financial Model

Congleton Hydro @Havannah Weir Projections								
SUMMARY PROFIT AND LOSS	Apr-21	Apr-22	Apr-23	Apr-25	Apr-30	Apr-35	Apr-40	Apr-21 - Apr-41
	£	£	£	£	£	£	£	£
Gross Revenue	0	53,372	54,913	58,131	65,622	73,995	83,411	1,371,909
Operating Expenses	0	6,304	6,461	6,788	7,681	12,222	13,828	197,777
Interest Payments to Shareholders	0		7,306	13,395	25,877	36,532	31,965	489,785
Gross Profit	0	47,068	41,146	37,948	32,064	25,241	37,618	684,347
Depreciation	0	24,355	24,355	24,355	24,355	24,355	24,355	487,093
Community Fund	0	3,916	4,013	4,217	4,771	5,398	6,107	100,020
Retained Profit	0	18,797	12,778	9,376	2,938	-4,512	7,156	97,234

NOTES:

1. The level of retained profit will be reviewed annually to ensure there is sufficient operating reserve to cover contingencies.
2. If sufficient operating reserves are established, additional contributions to the community fund will be made.

Capital Required from Share Offering	
Construction and Commissioning :	
Tree Clearance	£22,500
Temporary Access Track (construction phase only)	£10,000
Civil Works	£319,140
Crushed Fill Material	£9,526
Archimedes Screw (with installation)	£92,647
Electrical Equipment and Installation	£56,300
Power Export Cable	£57,000
Boardwalk	£37,000
Contingency (10%)	£60,411
TOTAL	£664,524
Total Development Cost	£71,032
Loan Interest	£25,353
Minus Company Sponsorship	-£30,000
TOTAL REQUIRED	£730,909

Appendix C - The Financial Model

Capital/Interest Payment Example For a £1,000 Investment				
Year	Capital (Share) Repayment	Interest	Total Annual Payment (Sum of capital repayment and interest)	Retained share capital
0	£0	£0	£0	£1,000
2	£42	£10	£52	£958
3	£42	£16	£58	£916
4	£42	£18	£60	£874
5	£42	£26	£68	£832
6	£42	£33	£75	£790
7	£42	£32	£74	£748
8	£42	£30	£72	£706
9	£42	£35	£77	£664
10	£42	£33	£75	£622
11	£42	£31	£73	£580
12	£42	£41	£83	£538
13	£42	£46	£88	£496
14	£42	£50	£92	£454
15	£42	£46	£88	£412
16	£42	£42	£84	£370
17	£42	£37	£79	£328
18	£41	£50	£91	£287
19	£41	£44	£85	£246
20	£41	£50	£91	£205
21	£41	£8	£49	£164
22	£41	£7	£48	£123
23	£41	£5	£46	£82
24	£41	£3	£44	£41
25	£41	£2	£43	£0
TOTAL	£1,000	£695	£1,695	

Repayment of share capital is set so that the initial investment is repaid on a straight line basis over 25 years. Interest payments are then set such that the investment can show a positive Internal Rate of Return (IRR) of 4% over a 25 year project lifecycle. The total annual repayment is flexed in line with the amount of funds available to meet these requirements.

Note that this is a projection and that actual payments would depend on performance and whether any voluntary share withdrawals are requested.

Appendix D - Application Form

Share applications should be made on-line at <https://apply.shareenergy.coop/dvce> if possible. However, if you prefer to apply by post, please complete the forms below and send to DVCE, The Pump House, Coton Hill, Shrewsbury SY1 2DP. Alternatively you can email the completed form to admin@congletonhydro.co.uk.

Application to Invest in Dane Valley Community Energy Ltd

I wish / my organisation wishes to invest a total amount of £ _____ in Dane Valley Community Energy Ltd (DVCE) on the Terms and Conditions of the Offer Document at the price of £1.00 per share.

Minimum £100

Maximum £70,000

Individual Applicant Details			
Name			
Address			
Postcode			
Email		Phone	
Are you are a current member of DVCE? Yes / No			

Organisation Details	
Organisation Name	
Organisation Address	
Postcode	
Type of organisation	
Registration Number	
Name and position of person authorised to sign this form ¹	
Email of authorised signatory	

¹ You must be authorised to sign on behalf of the organisation. Please supply notification of this appointment by the governing body with this application form

Special conditions				
If you wish to purchase shares for someone else's benefit (grandchildren/children) please give their details (*see below)				
Name 1		Date of Birth		No. of Shares
Name 2		Date of Birth		No. of Shares
Name 3		Date of Birth		No. of Shares
* If you have requested to purchase shares for someone else's benefit, we will send you an additional advice sheet, explaining the process, and suggesting ways in which you can make it as simple as possible.				

Appendix D - Application Form (cont.)

Payment Method			
We prefer that you make payment by bank transfer but you are also welcome to pay by cheque.			
If you have made payment by bank transfer please pay: DVCE Ltd, Account Number 03036316 Sort code 20-53-77 For reference quote Surname + last name of your postcode, e.g. 6TQ		Reference used	
Please tick if you have enclosed a cheque with this application Please make the cheque payable to 'DVCE Ltd' and return it with the completed application form (address overleaf)			
Account for Repayments			
We prefer to make payments by bank transfer so please give your bank details here, otherwise we will make payments by cheque			
Account Name			
Account Number		Sort Code	
Contact Preferences			
DVCE prefers to use email to send statutory notices (eg AGM). Please tick to consent to this.			
Please tick if you would also like DVCE to send you other updates, for example, newsletters.			
If you have any particular communication needs please provide details here			
Declaration			
IMPORTANT: Please tick the boxes to indicate that you agree with the statements below			
I confirm that I am 16 years old or older.			
I agree that DVCE Ltd may make such enquiries as are deemed necessary and will provide additional information if requested.			
I have read the share offer document, understand and accept the terms of the share offer and the rules of DVCE Ltd, *and wish to become a member (* delete this section if you are already a member)			
Signed		Date	

Appendix D - Application Form (cont.)

This offer closes on 31st March 2020. The Board reserves the right to extend this offer or to reopen for a period of up to three weeks. If we are unable to offer you any or all the shares you have applied for, we will refund the difference by cheque to the address above unless we are notified otherwise.

Online Application

You may also apply for shares and join DVCE online at <https://apply.shareenergy.coop/dvce>. With the online application you can make payment by card, cheque or bank transfer. If you send a bank transfer, please make sure that we can match the payment with the details on the application form by quoting reference Surname + last part of your postcode, e.g. 6TQ .

DVCE Ltd will share your data with its service provider Shareenergy Co-operative Limited ("Shareenergy"). Any data you provide will be securely stored by Shareenergy in accordance with their data privacy notice, which can be found at <https://www.shareenergy.coop/data-privacy-notice/>, and will be used in accordance with your wishes. Under data protection law, we will hold the above data on you for as long as you are a member, for the legitimate interest of carrying out the business of DVCE Ltd. We will use it for no other purposes without your consent. The data is confidential to directors and will be kept confidential. Members have a subject right of access to know what personal data we hold on them; you should email admin@congletonhydro.co.uk if you have a complaint.

Dane Valley Community Energy Ltd is a Community Benefit Society registered with the Financial Conduct Authority

Reg No: 7142

Contact Details

Dane Valley Community Energy Ltd (DVCE)

Registered Address:

The Pump House

Coton Hill

Shrewsbury

SY1 2DP

Note: All Directors of DVCE are residents of the Congleton area. Sharenergy Ltd, who are based in Shrewsbury, provide administrative support services.

Email: admin@congletonhydro.co.uk

Website: www.congletonhydro.co.uk

Telephone: 01743 835242 (Sharenergy)