



*An investment you can be proud of*

**YOU'RE INVITED TO INVEST IN COMMUNITY  
OWNED RENEWABLE ENERGY IN CUMBRIA**

**TARGET: £305,000**

**SHARE OFFER OPENS: July 1st 2015**

**SHARE OFFER CLOSES: September 1st 2015**

**PROJECTED ANNUAL INTEREST: 5% pa over 20 years**

## *Share Offer*

**HYDRO ELECTRIC TURBINE**  
*at Killington Reservoir Overspill*  
**SOLAR PHOTOVOLTAIC ARRAY**  
*on the Lake District National Park Authority HQ*



**COMMUNITY ENERGY CUMBRIA LTD**

Industrial and Provident Society for the Benefit of the Community No 7084

# CONTENTS

Letter from the Company Secretary, Phil Davies .....	3
Summary of Information .....	5
The Offer .....	7
Background .....	8
Rules of the Society .....	12
Links to Cumbria Action for Sustainability .....	14
The Board of Directors of Community Energy Cumbria Ltd .....	15
The Investment Projects .....	17
Killington Reservoir Overspill Hydroelectric Scheme .....	17
Lake District National Park Authority HQ Solar Photovoltaic Project .....	20
Community Benefits .....	23
Our Partners .....	25
Operating and Financial Overview .....	26
Financial Returns to Community Energy Cumbria Members .....	28
Assumptions – see also Risks .....	31
Tax Relief .....	32
Risk .....	34
Share Offer .....	36
Terms and conditions for applying to shares .....	37
How to apply for shares .....	40
Application Form – for use by individual and joint applicants .....	41
Application Form For use by corporate applicants .....	42
Holding shares on behalf of children .....	43
Nominations of shares on death .....	44

Community Energy Cumbria Ltd is an Industrial and Provident Society developing renewable energy resources for the benefit of the community. Community Energy Cumbria Ltd is registered with the Financial Conduct Authority in England and Wales under the Co-operative and Community Benefit Societies Act 2014 (Number 7084).



## IMPORTANT | PLEASE READ

---

Before you make an investment based on this Offer Document, you should make sure that you fully understand the specific risks which are described in this document and subsequently that you determine whether the investment is suitable for you on the basis of all this information. Specifically, in the event that the Society becomes insolvent you may lose some or all of your capital. If you are in any doubt about the contents of this Offer document or the action you should take, you are strongly recommended to consult a professional financial adviser.

## LETTER FROM THE COMPANY SECRETARY, PHIL DAVIES



Dear Investor,

As with any investment, I expect you may be feeling a mix of excitement and anxiety about your first investment in Community Energy Cumbria Ltd. It's a natural response, demanding of you some careful financial consideration. Irrespective of the motivation for your decision and the sum of your investment, you will be playing a vital part in delivering significant social and environmental change within Cumbria and the Lake District.

Recently many people in the UK have voiced their concern over 'indiscretions' in the national and global financial sector. Whilst some people are obviously frustrated with what they feel is the slow pace of change, others have been more clearly angered by various scandals. It's no surprise then that there's a growing clamour for an alternative, more accountable form of savings investment.

Indeed, the issue of long term 'security' is not exclusive to the financial world. We know that continuing high levels of carbon emissions are creating climatic uncertainties sufficient to worry even those historically sceptical about such change. And as we all reap the benefits of global trade, so too do we reflect on losing local jobs and economic activity to far off markets we have little or no control over.

I believe it's these sorts of reactions and issues that today make Community Energy Cumbria so compelling and attractive a proposition. It's a chance to become part of a local initiative which connects people with their investment right back here in Cumbria, which rewards our communities and investors with ethical financial, social and environmental benefit whilst simultaneously reducing our dependency on dwindling fossil fuels. It's a small step, hugely symbolic but also very real. The Board at CEC want you to feel a sense of pride when you invest, a sense of relief that you are doing something about all this, and to leave you with a real feeling of hope for those lucky enough to live, work or visit Cumbria in years to come. Not least for some, the careful financial modelling we have undertaken means CEC expects to pay you an annual share interest averaging 5% per annum over a 20 year period.

By investing, you will be helping to make a *fundamental change* to the way that our communities in Cumbria can benefit from renewable energy projects. In some ways, it takes us back to the days before the 'Futures Market' or 'selling short,' days when the profits of local enterprise and of farming would be reinvested in building local homes or in the growth of other local businesses and services. Such investors could walk to where their money was being used; they could touch the stonework, talk to the new employees, or even taste the new crop. In modern times, it's just bewildering to understand where and how our investments, pensions or savings are being used.

To date, we know that many of the benefits of renewable energy projects in Cumbria 'leak out' of Cumbria. Sometimes it's the profits that disappear out of the county, sometimes it's simply the lost opportunity of employing local companies to install and maintain the equipment. This needs to change. We are convinced that through the renewable energy projects that CEC will invest in, we can ensure that benefits are kept more locally. Whether it's an existing reservoir overspill at



## COMMUNITY ENERGY CUMBRIA SHARE OFFER FOR HYDRO ELECTRIC TURBINE AND SOLAR PHOTOVOLTAIC ARRAYS

Killington or the Lake District National Park headquarters, we can start investing in schemes that we can see and get involved in.

I hope that you'll find this share offer document interesting. Inevitably with anything involving money, there's quite a lot of dry detail included! We're not apologising for this. It's important for CEC's future sustainability and it's important for you that you read through the document carefully and take an informed view of the returns you might expect and the risks that you will be taking; as such, don't be afraid of consulting an independent financial adviser. Also, it may provide you with confidence to visit [www.communityenergyengland.org.uk](http://www.communityenergyengland.org.uk) and to see the plethora of similar community energy projects paying interest and working successfully up and down the country.

The best community projects are often the ones hardest fought for. Like many volunteer-led initiatives, CEC is the product of passion, of commitment, of long experience and tenacity. It is also the product of belief and the culmination of a great deal of careful planning by its Directors and the staff at Cumbria Action for Sustainability. As future Members of the Society, we encourage you to take as an active part in its development as you can.

As the Company Secretary, I am proud that at last CEC is ready to launch with these two projects – the hydroelectric power project at Killington Reservoir Overspill and the solar PV array on the headquarters of the Lake District National Park Authority. Please get involved. Be part of the change; don't just sit and hope that somehow, somewhere, someone makes change happen. It's up to us in Cumbria and those connected to Cumbria through family, friends or through visiting to make this happen.

Thank you,

A handwritten signature in blue ink that reads 'Phil Davies'.

Phil Davies  
CEC Director and Company Secretary

## IMPORTANT INFORMATION

---

This document has been prepared by the Directors of Community Energy Cumbria Ltd who are responsible for its contents. This summary should be read as an introduction only and any decision to invest should be made on the basis of the document as a whole. Nothing in this document constitutes investment, legal, tax or other advice from Community Energy Cumbria Ltd, its Directors or advisers.

## SUMMARY OF INFORMATION

You are invited to become a Member of Community Energy Cumbria Ltd, an Industrial and Provident Society for the Benefit of the Community, by subscribing for shares in the Society. These shares will help to fund the cost of installing a 30 kW hydroelectric turbine on the outfall of Killington Reservoir and installing a 29.7 kW solar photovoltaic (PV) array on the roof of the Lake District National Park Authority's headquarters at Murley Moss in Kendal.

This share offer seeks to raise £305,000 to complete the installation of both the hydroelectric and solar PV systems. The PV array is scheduled to be installed and commissioned by the end of September 2015 and the hydroelectric scheme is expected to be installed and commissioned by August 2016.

Income will be generated from the sale of hydroelectricity and solar PV electricity back to the National Grid as well as benefitting from the Government's Feed In Tariff. In addition, the solar PV electricity generated at the LDNPA HQ will be bought by the LDNPA itself, as part of the LDNPA's long term plan to reduce CO<sub>2</sub> and to support communities.

The projects will generate 172,000 kWh of renewable electricity per annum, reducing CO<sub>2</sub> emissions by 92,708kgs per annum (or 1.8million kilogrammes over the 20 years of the project), securing jobs in the local economy and providing a positive, sustainable legacy for future generations in Cumbria.



## COMMUNITY ENERGY CUMBRIA SHARE OFFER FOR HYDRO ELECTRIC TURBINE AND SOLAR PHOTOVOLTAIC ARRAYS

By purchasing shares (and based on the successful development of the projects) you:

- Will be participating and supporting the first community owned hydro and solar energy schemes in Cumbria. Regardless of the number of shares you own, you will have an equal vote in how Community Energy Cumbria is managed.
- Will be eligible for average interest payments on your investment of 5.0% per annum over the 20 year lifetime of the projects (2016-2036) or for as long as your capital is invested, based on projected energy generation figures (please see Risks p.34).
- Will receive your capital back over the lifetime of the project, based on projected energy generation figures (please see Risks p.34).
- May be eligible for income tax relief on your initial investment through the Seed Enterprise Investment Scheme ('SEIS' attracting 50% tax relief on the first £150,000 of investment) and /or Enterprise Investment Scheme. See Page 27 for more details on these schemes.
- Will help generate clean, green electricity in a way that doesn't compromise the special ecology or superb landscape of Cumbria. This helps to play our part in reducing carbon dioxide, the main greenhouse gas causing erratic climate change.
- Will bring environmental and social benefits to the community. As well as ensuring as much of the installation is undertaken by local companies as possible, it is projected that the two systems will generate a community fund in excess of £40,000 over the lifetime of the projects, to be redistributed to benefit local social and environmental projects within Cumbria, including support for the delivery of CEC's founding charity, Cumbria Action for Sustainability.

Please note that this Share Offer **does not guarantee** you the projected interest rates or capital repayments outlined above. Your investment is 'at risk' and prospective investors are encouraged to familiarise themselves with the risks outlined on Page 34 of this Share Offer document.

## THE OFFER

<b>SHARE ISSUE OFFER</b>	305,000 shares at £1 a share
<b>MINIMUM INVESTMENT</b>	£250
<b>MAXIMUM INVESTMENT</b>	£50,000
<b>SHARE OFFER OPENS</b>	1 <sup>st</sup> July 2015
<b>SHARE OFFER CLOSES</b>	1 <sup>st</sup> September 2015

Individuals over the age of 16, couples, charities and other organisations may invest in this offer. Shares can be purchased for children under 16 and held for them by their parent(s) or guardian(s).

Prospective members are invited to invest between £250 and £50,000. Industrial and Provident Societies and Organisations may invest more.

Minimum and Maximum: If the sum is not raised in full, following the closure of this share offer, Community Energy Cumbria Ltd will either return your money to you, less a small administrative charge, extend the share offer opening or obtain a loan at commercial rates for the outstanding balance.

In addition to reading this share offer document, please visit our website to view our launch videos at [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk)

Copies of permissions, licences, leases and agreements are available on request from Community Energy Cumbria Ltd.



A young Cumbrian enjoying his surroundings. Photo by kind permission of Matt Sharman

## BACKGROUND

### WHAT IS COMMUNITY ENERGY CUMBRIA LTD?

Community Energy Cumbria Ltd is an Industrial and Provident Society (IPS) for the benefit of the community ('IPS Bencom'). It is registered with the Financial Conduct Authority in England and Wales under the Co-operative and Community Benefit Societies Act 2014 (Number 7084). Its registered office is Community Energy Cumbria Ltd, c/o CAs, Eden Rural Foyer, Old London Road, Penrith, Cumbria CA11 8ET.

The registered Objects of the Society are quite simply stated:

**Rule No 4:** "To carry on any business for the benefit of the community by facilitating an increase in community ownership of renewable and low carbon projects across Cumbria."

**Rule No 5:** "The Society shall be owned and controlled by its Members on a fair and equitable basis" (which means irrespective of the size of share ownership, each Member has one vote.)

To achieve these aims, Community Energy Cumbria Ltd has chosen an ethical, well tested financial model to raise capital (the 'IPS Bencom' model). The purpose is to build sensitive, economically viable renewable energy projects in Cumbria, aiming to attract lots of small investors rather than depending on one or two large, private or institutional investors. As far as practicable, Community Energy Cumbria Ltd will employ local companies to supply, install and service our renewable energy projects in order to retain as much local economic benefit as possible. The income from these projects will then be divided between covering the running and maintenance costs of the projects, repaying the capital investment back to the shareholders as well as paying an annual interest to shareholders, then ploughing any surplus back into community and environmental projects (hence the 'Bencom' part).

### MAXIMISING LOCAL OPPORTUNITIES WHILST PROTECTING SPECIAL LANDSCAPES

Cumbria has major potential for generating profitable renewable energy – it's wet, it's windy, it's hilly, it has a long, very tidal coastline and it's even sunny enough to generate significant solar electricity. At the same time, Cumbria's landscape is nationally and internationally recognised for its beauty and special cultural heritage. This blend of opportunity and fragility is not lost on its residents, with many communities holding a strong, protective connection to their surroundings.

In 2011, there was 295MW of installed or 'in development' renewable energy in Cumbria, 140MW of which originated from 22 onshore, commercially owned wind farms. So with renewable energy in Cumbria potentially set to double by 2030, there is much at stake. CEC could certainly provide a mechanism for keeping as many of the benefits within Cumbria as possible.

*"Cumbria has abundant natural resources for renewable energy, but the deployment of these needs to be undertaken in such a way that does not compromise the value and inherent quality of its natural landscapes, many of which are designated. Throughout this study, we have respected the need to ensure that projections for future energy deployment do not detract from Cumbria's outstanding environment. Taking this and a range of other constraints into account it is forecast in this study that Cumbria has deployable onshore renewable energy resources of 606 MW by 2030."*

**SQW Consultants**  
Cumbria Renewable Energy Capacity and  
Deployment Study, 2011

Whilst some people choose to focus on the benefits of these renewables in tackling climate change, other individuals and groups clearly view them as unwelcome intrusions into the Cumbria countryside or coastline. Whatever the viewpoint, the fact remains that most of these commercial scale renewable energy developments have been developed, installed, are owned and serviced by companies based outside of Cumbria. Whilst in some cases 'community chest' money has been offered to those parishes most 'affected' by these developments, there is no doubt that lack of wider local ownership, involvement and benefit have alienated many Cumbrians.

### **THE SUCCESS OF COMMUNITY ENERGY IN THE UK – TRIED AND TESTED**

Community Energy Cumbria believes that appropriate scale, ecologically and socially sensitive, well procured and community owned installations offer a future model of sustainable development which spreads benefits across Cumbrian communities and local businesses. Across the UK there are already over 20 community co-operatives established and trading, with upwards of 7,000 members investing in excess of £16 million in 20MW capacity of renewable energy (Source: The Co-Operative 2014). See <http://communityenergyengland.org/members/list/> for a list of operating community owned projects.

Yet in Cumbria, with the exception of Energy4All's initial Baywind Coop wind farm set up in 1996 and High Winds project near Ulverston, there is still no county wide mechanism for the people of Cumbria to invest in and benefit from their own local renewable energy schemes. It is our ambition to change this.

### **WHAT DO THE OBJECTS OF COMMUNITY ENERGY CUMBRIA ACTUALLY MEAN 'ON THE GROUND'?**

Community Energy Cumbria aims to:

- Increase the installation of viable, community owned, renewable energy systems across Cumbria for the benefit of Cumbrian communities.
- Create a mechanism for raising local investment and employing local businesses which means that the financial benefits of renewable energy stay in the county as much as possible.
- Provide attractive ethical and financial incentives for individuals and organisations to invest in renewable energy.
- Provide a practical opportunity for those who are passionate about the special landscapes of Cumbria and the Lake District, and equally passionate about supporting local opportunity to help ensure that both issues are addressed.
- Accelerate the deployment of sensitive renewable energy systems across the County so that the County can play an essential part in the global challenge of bringing down carbon emissions.
- Support aspirant communities to develop their own local renewable energy schemes as well as influence commercial developers to offer at least a part community stake in larger developments, where appropriate.
- As well as paying interest to member on the capital they have invested, Community Energy Cumbria will plough a proportion its surplus (agreed by its members) back into local



## COMMUNITY ENERGY CUMBRIA SHARE OFFER FOR HYDRO ELECTRIC TURBINE AND SOLAR PHOTOVOLTAIC ARRAYS

projects which benefit the environment or community, including the projects delivered by CEC's founding charity, Cumbria Action for Sustainability.

- Where income allows, CEC will provide Members of the Society with access to a series of opportunities based around renewable energy projects and in the wider field of sustainability, including site visits, green build tours and presentations.

The outcomes of CEC Ltd include increased community resilience, increased local circulation of finance, a strong and skilled local renewable energy industry and a positive contribution to reducing carbon emission.

## HOW DOES COMMUNITY ENERGY CUMBRIA WORK?

- Community Energy Cumbria is made up of a Board of Directors with skills and experience including renewable energy, project management, finance, ecology and community development. It is also supported by the skills and expertise of Cumbria Action for Sustainability.
- CEC identifies renewable energy projects that are ready to develop
- CEC produces a share offer document identifying the risks and opportunities of the schemes and detailing the share issue; this is submitted to HMRC for Advanced Assurance for EIS / SISR tax relief schemes
- Individuals invest in Community Energy Cumbria through buying shares (Minimum £250, maximum £50,000) using a simple application form and transferring the sale cost to CEC by BACS or cheque
- When the share application is accepted, the individual receives a share certificate and becomes a bona fide Member of the Society with voting rights; one member one vote
- The money is used to purchase and install the renewable energy system and to manage the project and shares
- Investors receive an annual return on their investment once the projects start earning income from the production and sale of electricity or heat
- Capital as well as interest is paid back to the investors, based on projected energy generation figures (please see Risks page 34)
- Members are invited to CEC events and to the Annual General Meeting
- At the AGM, CEC's Members are presented with full accounts of all income and expenditure and agree how to distribute any surplus that is generated for local environmental or social projects
- As CEC develops, it aims to be able to provide a mechanism for other communities wishing to generate their own energy
- Community Energy Cumbria also aspires to be able to offer training and participation in community-based sustainable development initiatives through Cumbria Action for Sustainability, where funds allow.

## RULES OF THE SOCIETY

The full Rules of the Society can be downloaded from [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk).

Below, we have picked out and summarised in non-legal, plain English just a handful of the Rules that we feel may be of common interest, but we recommend that you read the whole 122 Rules of the Society comprehensively in order to fully inform yourself and to have peace of mind. **Please note that the following summary is NOT the legal document**, is not in the order in which it is presented in the legal document and that you should consult our actual Rules for exact terms.

1. We are an Industrial and Provident Society established for the Benefit of the Community (known as an 'IPS Bencom').
2. Our purpose is "to carry on any business for the benefit of the community by facilitating an increase in community ownership of renewable and low carbon projects across Cumbria." This means developing and installing renewable energy systems in Cumbria owned by a large number of people, all with equal voting rights, and using the surplus from these projects to support community and environmental activity in Cumbria.
3. To be a member of the Society you must hold at least the minimum number of shares. One share = £1; the minimum share ownership is £250 and the maximum is £50,000. IPS and organisations may invest more.
4. The Society will use the net annual income (i.e. net income after paying for the 'running costs' of the two projects) to (a) pay the essential management costs of the Society (filing accounts, insurance, project management, sending our information to Members etc.); (b) to build up a fund to enable us to pay back the capital that Members have invested; (c) to pay an annual interest to the Members on the capital they have invested; (d) use any surplus profits for "making payment for environmental, social or community purposes within Cumbria," often referred to as the community dividend. The Society may also decide to retain some income as cash reserve to act as a contingency fund and for paying back Members who wish to withdraw their shares (see below).
5. The Society is governed by an 'Asset Lock' which means that there are tight restrictions on how it can use its assets (Rule 97). For example, in the event of the Society running into financial difficulty, its assets cannot be taken out by any of its Directors beyond the value of their shares, but instead could only be transferred to another registered entity with similar focus on community benefit.
6. Each member has one vote regardless of the number of shares he /she holds.
7. The Society is only allowed to pay sufficient annual interest to attract and to retain your investment, as proposed by the Board and voted on by the Members.
8. The Society is governed by a Board of Directors which is elected by the Members.
9. At Board meetings there must always be a minimum of 3 Directors or 50% of Directors present (whichever is the greater number) in order to make decisions.

10. At the first AGM, ALL of the Directors must stand down. At subsequent AGMs, one third of the Directors must stand down. In both instances, any Director standing down can be re-elected by Members.
11. The Society will hold an AGM once a year to present accounts, declare how the Society will allocate its surplus and elect Board Members. The Society may also hold additional General Meetings.
12. In addition to the elected Members, the Board may appoint up to 2 further Directors on account of their particular skills. Up to 2 Directors will be representatives from the organisation that helped to establish Community Energy Cumbria, this being Cumbria Action for Sustainability (CAfS).
13. Individuals can be members, either singly or as joint membership. Organisations can also be members. It is possible for a member to hold shares on behalf of another person, e.g. someone under the age of 16.
14. The Board of Directors can refuse membership and the Society will keep records of both Members and the Company Officers.
15. The shares you own will be withdrawable, but not transferable. This means that you cannot sell or transfer them to anyone else, other than to the Society itself. In order to reclaim their value, the Society will buy them back from you. This will normally be for the same price that you paid for them (it cannot be more), but it may be less if the value of the shares has reduced since purchase. Normally you need to give 3 months' notice in writing if you want to withdraw any shares; in exceptional circumstances the Society may be able to buy back the shares more quickly.
16. The Board of Directors have the right to suspend share withdrawals for as long as they feel is necessary. (They might do this to prevent too many investors taking out their money all at once whilst the Society is building up a sufficient cash reserve).
17. If you die, become bankrupt or are expelled from the Society you will cease to be a Member and the Society will withdraw your shares and pay their value to you or to your estate.
18. If you are expecting to claim either 50% tax relief or 30% tax relief through the Seed Enterprise Investment Scheme (SEIS), Enterprise Investment Scheme (EIS) or forthcoming Social Investment Tax Relief (SITR), you will need to keep your shares in the Society for a minimum of 3 years.

NB: You should also be aware that for the purposes of this share offer that in applying for shares, Members will be giving their consent to receive intermediary capital repayments of their investment at the discretion of the Society, irrespective of whether Members have or have not requested repayment of their capital / shares in any particular year.



## LINKS TO CUMBRIA ACTION FOR SUSTAINABILITY

**Cumbria Action for Sustainability (CAfS)**, a registered charity (No. 1123155), has been a driving force in the development of Community Energy Cumbria. CAfS has been delivering practical sustainability projects for 15 years, so the development of CEC fits closely with CAfS' aims of enabling Cumbria to move away from fossil fuel dependency and closer towards a prosperous, fairer, zero carbon society and economy.

CAfS has provided the necessary staff time to manage and administer CEC, including the provision of an interest free loan of £15,000, enabling the production of a website and launch video, paying for legal advice and marketing of the share issue. CAfS has also provided a 'Working Group' to advise Community Energy Cumbria up to its first AGM, as well as providing administration to manage the first share issue.

For more information about CAfS and its projects, please visit [www.cafs.org.uk](http://www.cafs.org.uk)

## THE BOARD OF DIRECTORS OF COMMUNITY ENERGY CUMBRIA LTD



**MARK CROPPER, DIRECTOR**

Mark started his career in the clean energy industry in 2001. In 2004 he joined Turquoise Associates, a London based environmental finance specialist, to focus on advising and raising money for renewable energy businesses. In 2008 he stepped back from this role to focus on establishing his own business Ellergreen Hydro. The business had a singular ambition - to lead a renaissance in hydro power in the Lake District. Since its inception Ellergreen, assisted by its partner Gilkes, have brought forward close to 20 projects, overseeing over £10m of investment to date in Cumbrian hydro. Nearly all has been spent on local suppliers and created new sources of income in numerous valleys that will support their localities for decades to come. Mark is also non-executive chairman of the Burneside paper group and family business James Cropper plc.



**PHIL DAVIES, DIRECTOR AND COMPANY SECRETARY**

Phil Davies currently serves as Interim Company Secretary of CEC. He brings a wealth of practical renewable energy and project management experience to CEC. Having lectured in Rural Economics and managed a series of high profile European rural diversification programmes, Phil has also led very practical, multi million pound energy efficiency and renewable retrofit programmes on social housing in west Cumbria. Phil recently served as the Social Enterprise Manager for Impact Housing, where he delivered a number of self-financing projects with community benefit, similar to those proposed by CEC. Phil was also responsible for setting up the Cumbria Green Build Festival in 2005 which now attracts over 1,000 visitors to over 50 exemplar, low carbon projects across the county. Since 2003, he has been responsible for bringing regional and international funding to public and private renewable energy initiatives within Cumbria.



**DAVID HORN, DIRECTOR**

David first trained as a radio and electronic systems engineer before moving into training and on to Quality Management. Gaining qualifications in each area and culminating in a MA in Business & Management Practice. Before retiring, he worked for the Metropolitan Police Service where he was Head of Quality Assurance. Joining CAFS as a Trustee in 2012, David brought with him considerable business and project management, business change and governance skills and experience.



Richard Scott, Director

Richard Scott was a plant scientist at the Centre for Ecology & Hydrology at Merlewood, Grange-over-Sands, working on coasts, moors and woodland; also part of a team assessing GB biofuels in the 1980s. Since Merlewood he has been involved in the Furness Energy Partnership, Furness Greenways project, Walking for Health, and Baywind Energy Coop at Ulverston, as Board member and currently vice-chair. Richard was on the Board of CoopsUK and the Coop College in Manchester and has wide knowledge of cooperative governance. He recently joined the trustees of CAfS and has helped found Community Energy Cumbria. He will bring his background and enthusiasm to the formation and running of new project groups.



**CAROLINE TURNER, DIRECTOR**

Caroline specialises in charity project management and development, having over 14 years' experience developing and delivering sustainability projects, mainly in the field of energy efficiency and renewables. Caroline works full time as Programme Manager for Cumbria Action for Sustainability, and has helped co-found Community Energy Cumbria as part of a long term funding strategy and delivery mechanism for the organisation. Previously the Climate Change Officer for South Lakeland District Council, she developed their carbon management programme driving a 5% annual reduction in CO<sub>2</sub> emissions and overseeing the council's first renewable installation.

The exciting prospect of community involvement in the development of sustainable low carbon energy sources in Cumbria, along with the associated community benefits, was an opportunity which David felt must be seized. He readily accepted a role on the Community Energy working group established by CAfS. This activity increased his enthusiasm for this winning model to deliver some of the energy requirements of modern life without negative impact on future generations. David is excited and eager to see Community Energy Cumbria successfully established and operational as soon as possible.

## Disclosure Statement

*Neither Community Energy Cumbria Ltd or its Directors have, at any point, been discharged bankrupt nor disqualified under the Company Directors Disqualification Act 1986 or to an order made under Section 429(b) of the Insolvency Act 1986.*

## THE INVESTMENT PROJECTS

### KILLINGTON RESERVOIR OVERSPILL HYDROELECTRIC SCHEME

#### Where is Killington Reservoir?

Killington Reservoir is located to the east of the M6 in Cumbria, just south of Junction 37 at the turnoff to Sedbergh and Kendal, Grid Reference SD591911. It is owned by the Canals and Rivers Trust and offers a range of recreational opportunities, including fishing, bird watching and water sports (see Killington Sailing Association at [www.k-s-a.co.uk](http://www.k-s-a.co.uk)). Two large earth dams currently impound the water with the reservoir holding 3,236 million litres of water when full. The reservoir supplies 22.7 million litres of water a day to the Lancaster Canal, via Peasey Beck. There will be no interruption or change to this supply as a result of the project.



Killington Reservoir, Cumbria UK

Photo with thanks to <http://documents-penyauibersitaria.tk/archives/2012/03>

#### Why has this site been chosen for Community Energy Cumbria's first hydroelectric project?

Community Energy Cumbria is committed to developing renewable energy projects which make financial sense AND which properly address **ecological, visual and aesthetic sensitivities**. With these in mind and also from a **risk management** and **financial investment perspective**, the site at Killington is ideal for a hydroelectric scheme and CEC's inaugural share issue.

#### Key elements of this project site:

- The size of the reservoir (58 hectares), the longevity of catchment precipitation records (30 years +) and the fact that the outflow pipe is 15 metres below the surface of a 3.2million litre reservoir - all factors which provide sufficient reassurance that the supply of water to the turbine will be constant.
- Water flow calculations have been carried out by experienced hydro engineers leading to the decision to install a 30kW, CINK turbine, chosen to maximise efficiency for the volume and 'fall' of water from the reservoir.

- There will be no interference to aquatic life, migratory fish or water flow as a result of the project.
- An overflow pipe is already in place. The project will simply tap into this existing pipe as it surfaces below the dam and connect it to a new 30kW turbine (a process known as 'hot tapping'). There are minimal earthworks involved.
- The site of the turbine and turbine house cannot be seen from any viewpoint except from the dam itself and from the immediately adjacent low lying ground- so there are no visual impacts.

A full hydro outline philosophy can be found on the projects page of [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk)



Images of the overflow at Killington Reservoir and Killington Reservoir Dam (Photos courtesy of Phil Davies)

### **GENERATING CAPACITY**

The 30kW CINK hydroelectric turbine will generate 152,000 kWh of electricity a year, saving approximately 80,423 kilograms of CO<sub>2</sub> per annum or 1.6million kilograms of CO<sub>2</sub> over the 20 years of the project.

### **PROJECT MANAGEMENT**

Ellergreen Hydro Ltd from Burneside near Kendal originally developed the concept of the Killington Overspill hydro project. The scheme is now fully consented and has full planning permission. A lease has been negotiated with the Canals and Rivers Trust. Under the direction of its Directors, Mark Cropper and Adam Cropper, Ellergreen Hydro Ltd will continue to manage the project through to installation and commissioning on behalf of CEC.

### **Annual Income and Costs of Maintenance**

- The total project cost will be approximately £260,000 + VAT (which includes 15% contingency and also includes the £15,000 cost of establishing the CEC share offer).
- Annual Income will be approximately £33,500 in the first full year of operation.
- Annual maintenance costs, insurance and management will be approximately £12,000 pa in the first year of operation. Therefore, in the first full year of operation, approximately

£21,500 will be available to distribute between interest payments, capital repayments and community benefit.

### **Risks: Technical, Legal and Financial**

No project is wholly without risk and prospective Members should read the 'Risk' Section of the Share Offer for a more comprehensive assessment. However, the Killington proposal lends itself to CEC's ambition to launch with as safe a hydro project as we can find.

### **Lease**

A 50 year lease has been drawn up between CEC and the Canals and Rivers Trust, negotiated on CEC's behalf by Ellergreen Ltd solicitors – Bond Dickinson. This comprehensive lease includes matters such as access, water flow, maintenance and rent.

### **Water Flow**

The combination of the size of the reservoir, the annual precipitation, the flow pipe location 15 metres below surface level and the terms of the lease all provide sufficient reassurance that the water will flow constantly throughout the year. There may even be some opportunity during the lifetime of the project for the Canals and Rivers Trust (CRT) to use CEC's pipe to draw down the level of the dam, thereby increasing the generation capacity of our project.

### **Maintenance of the CINK Hydro Turbine**

Within the annual maintenance budget we have accounted for a part time caretaker who will regularly inspect the equipment to ensure smooth, unbroken generation. However, we do not expect there to be any significant interruption to generating capacity. Our financial model is adjusted for 7.3 days a year lost to maintenance, though we do not expect this to be necessary.

### **Project Timetable**

From the signing of contractual agreements with Ellergreen (expected in September 2015) we anticipate installation and commissioning to be complete by the end of August 2016.

### **Local Community**

For a number of years a group of residents in nearby Killington (approx. 5 miles, pop. 150) have been successfully managing a series of local sustainability projects involving energy efficiency, education and domestic renewable energy. The group, known as Killington Sustainable Energy Trust or K-Set ([www.k-set.org/](http://www.k-set.org/)) has been developing their own community renewable energy project. They aim to install a 50kW Archimedes screw hydroelectric turbine on the River Lune (known as the Broad Raine Weir Hydro Project). In spite of significant obstacles, the community is close to realising its ambitions and hopes to be able to begin installation in 2016. It is CEC's intention to inform Members of CEC when K-Set is ready to launch its own share offer, as well as sharing our experience with and advice to K-Set, as required.

## LAKE DISTRICT NATIONAL PARK AUTHORITY HQ SOLAR PHOTOVOLTAIC PROJECT



The Lake District National Park Headquarters, Kendal

### Where is it?

The 29.7 kW PV array will be sited on the courtyard roofs of the Lake District National Park Authority's headquarters at Murley Moss, Oxenholme Road in Kendal, Cumbria (LA9 7RL). The LDNPA has recently invested in a comprehensive energy efficiency refurbishment programme, staff engagement and the installation of a biomass boiler, helping to drive down the building's greenhouse gas (ghg) emissions from 120 tonnes in 2007/8 to 64 tonnes in 2014/15, a reduction of 46%. The proposed solar photovoltaic panels will further reduce these emissions by over 10 tonnes per annum.

### Why has the LDNPA HQ building been chosen for a photovoltaic array?

A series of considerations led Community Energy Cumbria to partner with the LDNPA. We were keen to find an organisation whose ethos, commitment to community, local employment, tackling climate change and/ or safeguarding landscape reflected our own values.

CEC also needed to find an organisation whose roof is:

- Sufficiently large to make the installation of a solar PV array economically viable
- The owners of which were prepared to purchase electricity from CEC and which would use a large proportion (if not all) of the electricity produced by the PV panels
- From which the solar generating capacity would not be significantly impinged by aspect or shading
- Which would not cause concern regarding visual impact
- The project should have a firm chance of passing through the planning process (an earlier planning application for a similar PV scheme on the LDNPA HQ was passed by SLDC in 2011)



Proposed 29.7kW Solar PV array

In addition, the Board of CEC felt that involving the LDNPA HQ in CEC's community renewable energy initiative would send a strong message to other public authorities and private owners of large roof spaces that there was a practical and ethical means of securing low carbon energy at a cheaper kWh rate than that organisation currently receives from the 'Big Six' energy providers. Were it not for the goodwill and commitment of the staff, Senior Management Team and Board of the LDNPA and their belief in the wider ambitions of Community Energy Cumbria, this proposal would not have been possible.

### **Generating capacity**

CEC will be contracting Sundog Energy Ltd to install a 29.7kW capacity of solar PV, generating 20,159kwh per annum of electricity, saving approximately 10,913kgs of CO2 per annum. Over the 20 years of the project, generation has been forecast to drop to 87% of the Year 1 generation levels. We are proposing to install solar PV panels sourced from Suntech Power and using 3 Fronius Inverters, both of which have a proven track record of efficiency and longevity. 110 panels covering 179.0m<sup>2</sup> will be mounted on the 3 'courtyard' roofs of the LDNPA HQ. A full survey of the current and future shading effect from the surrounding birch trees and oak tree have been taken into account when projecting the generation figures.

### **Local Contractors**

Sundog Energy Ltd from Flusco, near Penrith in Cumbria have been supportive of community energy since CEC was first proposed 5 years ago. Originally commissioned to carry out the PV installation on the LDNPA HQ in 2011, the company has remained committed to helping CEC become established, (see Partners Section). They have provided free advice and surveying throughout the process.

### **Costs**

- The total project cost will be approximately £45,000 + VAT.
- Annual maintenance costs, insurance and management will be approximately £1,106, consisting of insurance, remote metering and annual administration costs.

### **Income**

Annual Income in the first full year of operation is projected to be approximately £4,700 pa, consisting of the Feed in Tariff, 50% deemed export payments and solar PV electricity bought by the LDNPA. After annual maintenance costs, this leaves a surplus of approximately £3,700 pa in the first full year of operation for payment of interest, capital repayments and community benefit.

### **Risks: Technical, Legal and Financial**

Like the Killington hydro scheme, no project is without risk, though the PV proposal at the LDNPA aims to minimise risks.

### **Planning Permission**

A planning application has been submitted to South Lakeland District Council for the installation of the PV array. A very similar application for 30kW of PV on the LDNPA HQ was approved in 2011, though this permission has now expired. We are therefore confident that the submission of a new application in which all of the panels are now retained within the courtyard of the LDNPA HQ will be successful.

### **Lease**

A Lease has been drawn up between CEC and the LDNPA (available on request) which limits both party's exposure to risk. This comprehensive lease covers matters including access, purchase price of the electricity and a series of opt out clauses should the LDNPA sell or lease the building during the period of the project.

### **Solar output**

Figures for solar output have been calculated using industry standards, site specific aspect, roof angle and shading potential.

### **Maintenance of the Solar PV array**

Extended warranties will be taken out against defects in the solar PV inverters during their lifetime. The systems themselves come with a 25year year guarantee. It is estimated that after 20 years, the panels will still generate at 87% efficiency of their Year 1 output. An annual decrease in performance has been accounted for in the projected income. CEC has budgeted a small amount for maintenance from year 5 onwards. The Lease stipulates that the Landlord (the owner of the roof space) cannot impede generation of the PV panels for more than 4 weeks in every year without compensation to CEC (for example, in the scenario that the Landlord needs to carry out routine or emergency roof repairs).

## COMMUNITY BENEFITS

Though we expect the surplus dedicated to community benefit to be modest from our two inaugural renewable energy schemes (approx. £40,000 spread over 20 years), this surplus nevertheless represents 20% of the total expected annual interest paid to Members. CEC aims to build up its portfolio of projects over the coming months and years, so that it can generate a greater community fund and deliver greater impact in Cumbria.

One of the key ambitions of Community Energy Cumbria is to ensure that a far greater proportion, if not all, of the expenditure and income from our renewable energy projects is kept revolving in Cumbria. As an Industrial and Provident Society for the Benefit of the Community, it is written in our Rules that a proportion of our surplus will be distributed amongst projects with social or environmental benefit within Cumbria. CEC wants to help build a legacy of thriving, involved, active and sustainable communities. The distribution process will place special emphasis on activities that encourage environmental and social progress in Cumbria in the following ways:

### **SUPPORTING ENERGY EFFICIENCY, FUEL POVERTY & LOW CARBON PROJECTS**

Projects might include: delivering a programme of environmental activity delivered by CEC's founding charity - Cumbria Action for Sustainability; supporting other communities to develop renewable energy projects; reducing home energy use by improving the fabric of people's homes, draught stripping the homes of those in fuel poverty, helping find the best tariff and supporting the public with a range of advice and training; encouraging the use of sustainable building materials and techniques.

### **SUPPORTING YOUNG PEOPLE**

In many areas in Cumbria, particularly rural areas, opportunities for young people are limited, especially so for those who have recently left school or college. Our community benefit fund could be ploughed back into broadening young people's horizons and providing experiences that enable them to pursue their ambitions. It could be used to support youth enterprise, apprenticeships and training, recreation and learning.



### **SUPPORTING VITAL COMMUNITY SERVICES**

Fragile community services are often delivered by overstretched volunteers with underfunded budgets. The community benefit fund from CEC could help to support these services, be they health or transport or simply offering company to those most isolated or vulnerable.



Apprentices at work planting trees. Photo by kind permission of Matt Sharman and Eden Rivers Trust

### **CONSERVATION, WILDLIFE ENHANCEMENT, HERITAGE & RECREATION**

Cumbria's rich natural heritage is also a fragile one that needs looking after (hence CEC is committed to ecological and landscape protection). In areas where our projects are sited, then we may be able to provide funding for enhancing the natural and built heritage and supporting the enjoyment and understanding of these areas in a way that ensures their long term protection.

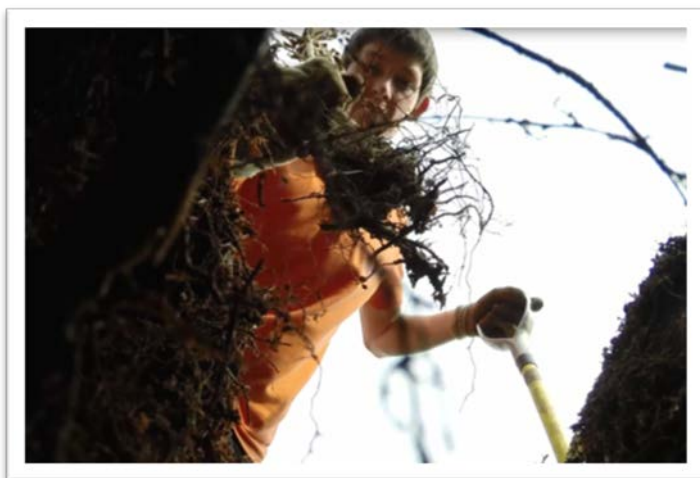


Photo by kind permission of Matt Sharman & Eden Rivers Trust

### **YOUR SOCIETY – SO YOUR VOTE MATTERS**

Because Community Energy Cumbria Ltd is an Industrial and Provident Society, it means that whatever the size of your investment, everyone has one vote. CEC is keen that as many members get involved in the organisation, whether this means simply casting your vote at AGMs, serving as Board Members, spreading the word about CEC or even helping to bring further renewable energy projects forward to the Society.

## OUR PARTNERS

Community Energy Cumbria Ltd has received advice and support from a wide range of organisations and individuals, without which this initiative would not have flourished.

**Cumbria Action for Sustainability (CAfS)**, a registered charity (No. 1123155), has been crucial in the development of CEC Ltd, providing a £15,000 development loan to set up and launch the projects. It has also provided a 'Working Group' to advise the project as well as providing administration to manage the first share issue. CAfS has been delivering practical sustainability projects for 15 years, and so the development of CEC Ltd fits closely with CAfS' aims of enabling Cumbria to move closer towards a zero carbon society.

**Co-operatives UK** (an IPS reg. 2783R) has provided a mentoring service to CEC Ltd so that we could learn from the many teething experiences of community energy co-ops up and down the country. Co-operatives UK works to promote, develop and unite co-operative enterprises. We benefitted greatly from the detailed technical, legal and financial advice of **Kevin Frea and Anne Chapman, Directors of Halton Lune Hydro Ltd and Morecambe Bay Community Renewables**, respectively. Their scrutiny of our figures, projections and costs has been invaluable.

**The Canals and Rivers Trust** and the **Lake District National Park Authority** are the landlords of Killington Reservoir and the National Park HQ at Murley Moss, respectively. Without their careful consent and lease considerations neither project would have launched. Their commitment to community energy and the long term prosperity of Cumbria have been critical.

**Ellergreen Hydro Ltd**, based at Burneside, Kendal and **Sundog Energy Ltd**, Flusco, near Penrith are both local Cumbrian renewable energy businesses – and have offered free technical and legal support throughout, as well as competitive installation prices. The Directors of Ellergreen, Mark Cropper and Adam Cropper, and the Directors of Sundog Energy Ltd, Ali Ross and Martin Cotterell, have individually provided free advice and supported the development of the community energy model here in Cumbria.



## OPERATING AND FINANCIAL OVERVIEW

### Commencement of Operations

Community Energy Cumbria Ltd was registered with the Financial Conduct Authority on 4th March 2015. The first annual accounting year will be from 4<sup>th</sup> March 2015-31<sup>st</sup> March 2016. We expect to begin paying interest to Members after March 2017, which will be the first full year of accounts after commissioning both the hydroelectric turbine and the solar photovoltaic array. All expenditure and income will be presented to Members at the Annual General Meetings.

### Operational Cash Flow

Over and above Community Energy Cumbria's requirement to raise capital for the installation of the hydroelectric and PV scheme, CEC has limited requirements for working capital. It has no employees and no fixed capital. An agreement between CEC's founding charity Cumbria Action for Sustainability (CAfS) and CEC means that should additional project management time be required, there is capacity for CEC to employ the services of CAfS to carry out the work – thereby minimising overheads for CEC. The hydroelectric scheme budget already includes full project management costs and a small sum has been included in the LDNPA budget to manage the installation phase of the PV project.

### Annual Income

Community Energy Cumbria will generate income from: the generation of electricity attracting the Government's Feed-In-Tariff, the sale of electricity to the National Grid and the sale of electricity to the Lake District National Park Authority.

Year 1 (2015-2016) will involve the installation of the PV array (planned September 2015) and the start of installation of the hydro scheme. Year 2 (2016-2017) will involve the commissioning of the hydro scheme (planned August 2016), the generation of 12 months of PV electricity and 7 months of hydroelectricity. Total income is predicted to be £38,000 per annum in the first year of both energy schemes operating for a full 12 months (year 3); this income is expected to rise annually with inflation. The Feed-In-Tariff and export tariff are index linked to inflation (RPI). The sale of electricity to the LDNPA is also linked to inflation. The feed in tariff is guaranteed to operate for 20 years from the commissioning date, hence these projects and income extend to 21 years.

### Annual Inflation

It is difficult to predict inflation over the 20 year period. Whilst inflation is currently around 0-0.5% pa, CEC has taken advice from financial managers and similar projects which suggest using a conservative, average inflation rate of 2% over the 21 years on which to base projected income and expenditure. It is on this basis of 2% inflation that we have predicted interest payments to Members. As the Feed-In-Tariff is linked to inflation, then if inflation remains below 2% as an average over 20 years, then the total income over the lifetime of the project will be reduced and so too the payment of interest to Members. Similarly, if inflation rises above 2%, then income may rise over expenditure and the Board may be in a position to propose changes in the distribution of surplus.

### **Annual Costs and Expenses**

The cost of administering and managing both schemes, once operational (year 3), is predicted to be £12,800 (rising annually in line with inflation). This includes, for both projects, the cost of insurance, maintenance of equipment, remote sensing metering, caretaker of both projects and annual management and administration (AGM, filing annual returns, legal fees etc.). The Directors of Community Energy Cumbria are voluntary and are not expected to claim remuneration for their governance duties, aside from basic expenses.

### **Development Costs and Loan Repayment**

As part of Cumbria Action for Sustainability's support for CEC, the Charity has invested £15,000 of its Reserves in establishing Community Energy Cumbria and developing this first share offer. This £15,000 will be paid back to CAFS, interest free, following a successful share issue.

### **Capital Costs**

In addition to the £15,000 requirement to repay the loan, Community Energy Cumbria needs to raise £290,000 to pay for the installation of the hydroelectric scheme and PV scheme. This sum includes a 15% contingency for the installation cost of the hydroelectric scheme. Should the project costs not require this contingency, then the Directors of Community Energy Cumbria will make a decision whether to bring forward capital repayments to Members or to retain this sum over the lifetime of the projects. In either of these scenarios the sum will be deposited in a savings account where it will earn interest.

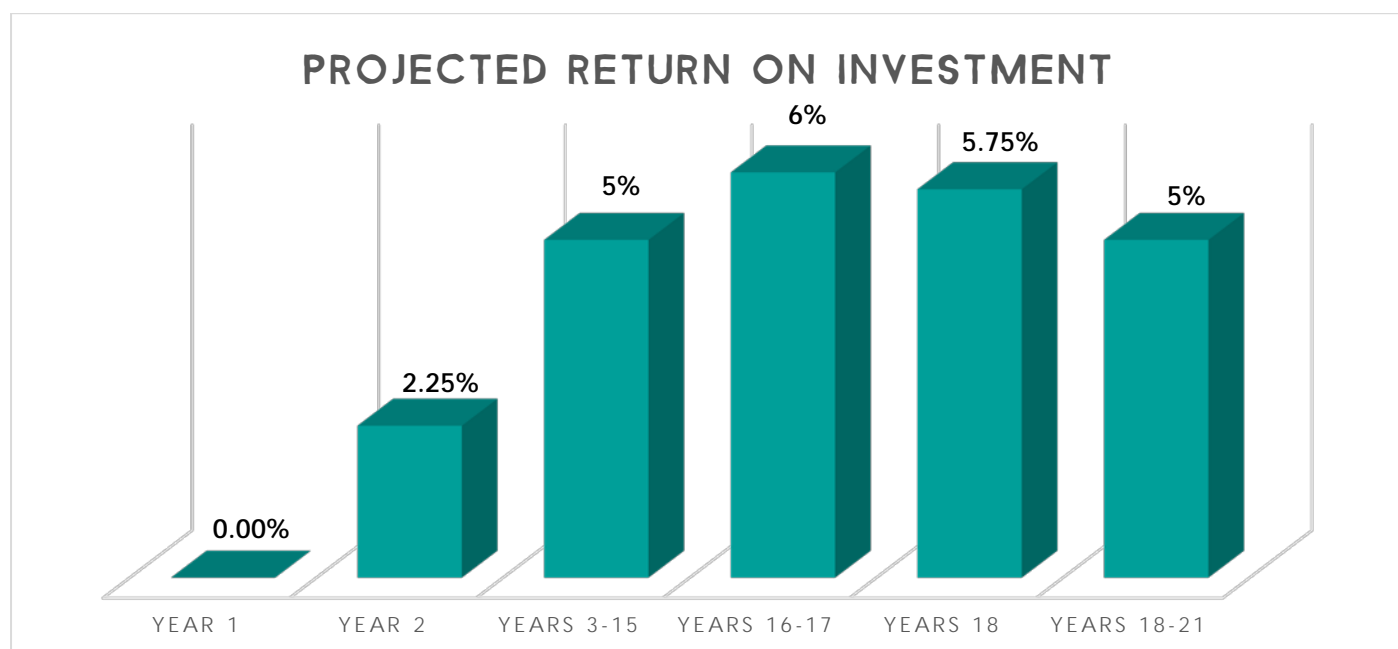
A total sum of £305,000 is therefore required to be raised through the share issue.

## FINANCIAL RETURNS TO COMMUNITY ENERGY CUMBRIA MEMBERS

### Interest Payments

Members of Community Energy Cumbria, in line with our Rules as an Industrial and Provident Society for the Benefit of the Community (IPS Bencom) are projected to receive a 'reasonable' return on their investment: this means paying a sufficient rate of interest to firstly obtain and then to retain enough capital for Community Energy Cumbria to operate successfully.

Community Energy Cumbria has projected an average target interest rate of 5% per annum over the 20 year operating life of the project between 2016-2036. Income generated in the first two years (2015 and 2016) will be rolled over into the third year, so first interest payments to Members are expected to be in 2017, following the Society's AGM.



### Tax Relief

Additional benefits in the form of tax relief on your initial investment may be possible through HMRC's Seed Enterprise Investment Scheme ('SEIS' attracting 50% tax relief on the first £150,000 of investments in CEC) and /or Enterprise Investment Scheme ('EIS', soon to be replaced by 'Social Investment Tax Relief' (SITR), attracting 30% tax relief). For details, see page 32.

### Share Allocation Timetable

The Directors of Community Energy Cumbria expect to meet on or before the 11<sup>th</sup> September 2015 to confirm the allocation of shares to applicants. CEC plans to hold its first AGM in June 2016 and to make the first interest payments shortly after the second AGM in June 2017.

### Community Fund

Over the 20 years of the project, payments to social and environmental projects within Cumbria are anticipated to exceed £40,000 (see Community Benefit section of this document for details). This amounts to a minimum of 20% of the total interest payments. Proposals for the distribution of this fund will be made by the Directors of the Society at the AGM at which Members will be able to vote.

## Withdrawal of Capital

Investors should be aware of the Society's Rules in their expectation of the withdrawal of capital (See Rules 27, 28, 29, 30 and the additional discretion of the Society under this share offer to repay capital throughout the period of the projects (2016-2036)). Prospective Members should consider their investment as a long term investment and be prepared that capital might not be repaid until year 21. However, the Society plans to make limited capital repayments available from year 5, staggered across the 21 years of the project (see 'Anticipated Total Capital Repayments' Table below).

In common with many share issues, over the lifetime of the project some Members are likely to want to withdraw their investment for a myriad of reasons (from buying a new car, to reinvestment, to covering an emergency financial need, as examples). If a Member of the Society dies, the Society will also need to make available repayment of the capital to the Estate of the deceased.

You should be aware that the shares you own will be 'withdrawable', but not 'transferable'. This means that you cannot sell or transfer them to anyone else, other than back to the Society itself. In order to reclaim their value, the Society will buy them back from you. This will normally be for the same price that you paid for them (it cannot be more), but it may be less if the value of the shares has reduced since purchase. Normally you need to give 3 months' notice in writing if you want to withdraw any shares; in exceptional circumstances the Society may be able to buy back the shares more quickly.

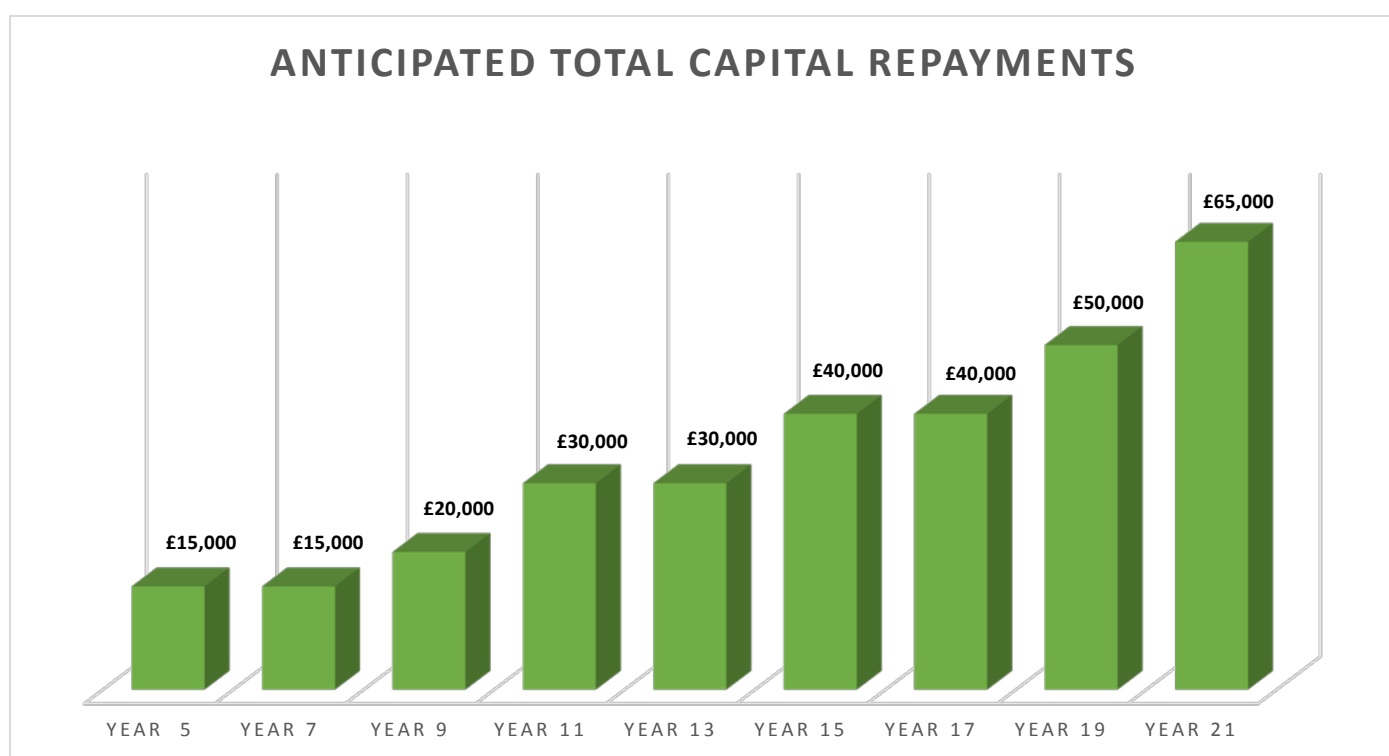
At the Society's Annual General Meetings, the Board will decide how much capital is available for repayment in the following year. Capital repayments will be allocated on a first come, first served basis upon request from Members. The Estate of Members who have died during the accounting year will take priority.

As Rules 27-30 of the Society clearly set out, the Society reserves the right to suspend share withdrawals for as long as they feel this is necessary. The Society might do this to prevent too many investors taking out their money all at once whilst the Society is building up sufficient cash reserves / contingency.

### Consent to Receive Capital Repayment

By subscribing to this share issue, Members will be giving their consent to receive capital repayment at the discretion of the Society, irrespective of whether Members have or have not requested repayment of their capital / shares in any particular year.

The financial model on which annual interest payments in this Share Offer is made requires that some capital is returned to Members throughout the 21 year period of the project (i.e. the Society returns some of the original £305,000 capital investment / your shares during the lifetime of the project). Income from the generation and sales of renewable electricity is projected to pay an average 5% interest over 20 years (yr2-yr21) on any capital that is retained within the Society in any one year, but this income is insufficient to pay Members an average 5% annual interest on the full £305,000 every year for 21 years (i.e. if no capital was withdrawn for 21 years). Therefore, should there be insufficient demand from Members for the return of capital in any one year, or repayments to the Estates of deceased Members, then at the AGM the Board may resolve to require a proportion of the Society's share capital to be withdrawn by its Members, divided proportionately amongst Members according to the number of shares each Member retains in the Society. By subscribing to this Share Offer, all Members are deemed to give any consents required to the withdrawal of the shares as described above.



### Taxation

Community Energy Cumbria does not anticipate having any liability for Corporation Tax until after its capital allowances have been exhausted. CEC will be VAT registered.

## ASSUMPTIONS – SEE ALSO RISKS

The Financial Projections are based on the following principal assumptions, the majority of which are ultimately beyond the control of Community Energy Cumbria:

- Community Energy Cumbria raises £305,000 during the period of the share issue (July 1<sup>st</sup> 2015 – September 1st 2015)
- The hydroelectric project and PV project are installed as per timetable (by end of September 2015 and August 2016 respectively).
- Capital costs do not exceed those forecasted
- Electricity outputs parallel those forecasted
- Expenses are projected at a similar level to those forecasted
- Current expectations relating to the global energy market, the UK electricity industry, UK government policy and the desirability for and the promotion of electricity from renewable energy sources will remain reasonably consistent over the next 20 years
- Inflation is no less than 2% on average over the lifetime of the project, especially regarding the RPI and also electricity prices

Note: A higher rate of inflation is likely to improve the financial performance of Community Energy Cumbria as it is likely to lead to higher Feed-In-Tariffs for solar PV and hydroelectricity, above the more constant annual costs.

## TAX RELIEF

Community Energy Cumbria Ltd has applied to HMRC for several tax relief schemes for eligible investors covering the £305,000 share offer. There is no guarantee that the Share offer will be eligible for either of these schemes, though we are following the precedent of similar IPS Bencom renewable energy projects in the UK which have successfully attracted eligibility. We expect a decision from HMRC during July / Aug 2015, at which point we will notify prospective Members via our website. Please therefore consider your investment particularly carefully if your decision depends on Seed Enterprise Investment Scheme (SEIS) or Enterprise Investment Scheme (EIS) eligibility.

CEC is applying for SEIS tax relief (50% tax relief on the initial investment for the first £150,000 of shares allocated, on a first come, first served basis, prioritised for those resident in Cumbria) and also for EIS tax relief (30% tax relief allocated, on a first come, first served basis, prioritised for those resident in Cumbria).

If CEC is successful in attracting either SEIS or EIS eligibility or both for this share offer, then the Society will inform you on allocation of your shares which of the schemes you are eligible to claim tax relief against.

The Government plans to abolish SEIS and EIS during 2015 and replace it with Social Investment Tax Relief (SITR).

Please note: it is for individual investors to apply for SEIS / EIS / SITR tax relief in their tax returns or through informing HMRC, so you will need to be eligible to benefit. It is advisable to check first with an accountant or financial advisor that you will be eligible, if this is important to you. You can also get more information about EIS and find out how to apply at HMRC's information site: [www.hmrc.gov.uk/eis](http://www.hmrc.gov.uk/eis)

### **How can I benefit from SEIS, EIS or SITR?**

SEIS /EIS / SITR can be a significant benefit to taxpayers, irrespective of the amount of shares subscribed for or the rate at which Income Tax is paid. For example, SEIS or EIS Income Tax relief, if available, is 50% and 30% respectively of the value of the shares, which qualifying Members can claim back against income tax for the financial year in which the shares were issued (or the previous year). Shares qualifying for either SEIS or EIS must then be held for 3 years. If shares lose value then members can set this loss (minus the initial relief) against income for tax purposes in that year (or the previous year). The SEIS and EIS scheme also allows for relief of Capital Gains Tax under certain circumstances. However, the Directors are not in a position to absolutely guarantee eligibility.

This is a summary of how EIS, for example, works:

1. For every £1 invested, you can offset 30p against income tax. The general rule is that the relief is available for the tax year in which the shares are issued. But if you choose, you can treat some or all of the shares as issued in the previous year and claim relief in that previous year, subject to the maximum £1 million relief limit for the year. (I.e. you can reclaim against income tax in a current year and previous year).
2. For every £1 invested, you can also defer capital gains tax at the rate you have incurred it. I.e. if you have a 28% CGT liability, you will be able to defer paying 28p in every £1. If you have already paid the CGT (up to 3 years prior to the date of investment) you will be able to reclaim it. The gain can arise from the disposal of any kind of asset, but the investment must be made within the period one year before or three years after the gain arose. (I.e. you can crystallise a gain up to one year after investment and 3 years before).
3. The relevant date for relief is the date in which shares are subscribed for and issued.

### Example

Anna is a qualifying taxpayer who invests £10,000 EIS qualifying shares. The EIS relief available is £3,000 (£10,000 at 30%). If her income tax liability for the year (before EIS relief) was, for example, £8,000 she could reduce it to £5,000 as a result of her investment. For full details see <http://www.hmrc.gov.uk/eis/>

### Taxation of returns to Members

Interest payments made to Members will be subject to United Kingdom taxation. It is expected that payments will be made gross and investors will be responsible for declaring this income on their tax returns. Taxation rules may be subject to change.

## RISK

As Community Energy Cumbria has been incorporated with limited liability, the liability of its Members will be limited to the amount paid for their shares. This means whatever happens, all you could possibly lose is the value of your shares. However, prior to making any decision to subscribe for shares in the Society, you should carefully consider, together with all other information contained in this document, the specific risk factors described below which are considered by the Directors to be material in relation to the Society and to the projects.

These risk factors are not set out in any particular order of priority and should not be regarded as exhaustive or a complete and comprehensive statement of all potential risks and uncertainties associated with the Society. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Society's operating results, financial condition and prospects.

### **Social, Environmental and Financial Investment**

As an Industrial and Provident Society for the Benefit of the Community, investing in Community Energy Cumbria Ltd should be seen equally as a social, environmental and financial investment and is not established primarily as a means of enabling Members to make financial gain. We cannot guarantee a safe haven for your money or even that you will ever receive back all of your investment. However, the Board of Directors have taken significant steps to minimise risk and maximise the security of this investment, taking relevant advice from accountants, renewable energy experts, solicitors, investment companies and other community energy enterprises. Fortunately there are already at least 40 similar community renewable energy projects operating successfully in the UK from which we have been able to learn lessons and adopt best practice.

Your attention is drawn to the following risks:

### **General Risks of Investment:**

- The value of your income can fluctuate and you may not get all of the money that you invest back. Smaller companies and projects of this type are not generally viewed as 'safe' as the larger 'blue chip' companies listed on the stock market.
- We have based the projections on an average annual inflation of 2% over a 20 year period and this may alter.
- Shares are not traded on the stock market.
- Shares are not withdrawable by Members 'at will'. However, during the 20 year lifetime of the project, the Company will build up a fund from the income it generates and at the discretion of the Board allow its Members to withdraw shares or to reinvest them in similar projects managed by CEC. If the demand to withdraw shares exceeds the sum of cash reserves which the Board considers wise to retain in the company, then the Board reserves the right to delay withdrawal. Investment in these Shares should therefore be seen as a long term investment.
- The Society reserves the right to make capital repayments to Members proportionate to their remaining share allocation in the Society at any time during the lifetime of the project. Members will be paid interest only on the capital (their shares) retained in the Society.

- Good practice requires that interest payments should only be paid from current operating profits and not from forecast income.
- There is no prospect of shares in this Industrial and Provident Society ever being worth more than their nominal value.
- Whilst CEC has submitted an application to HMRC for Seed Enterprise Investment Scheme and Enterprise Investment Scheme tax relief, there is no guarantee that HMRC will accept the application.
- The financial projections might not be accurate and projected solar and hydro output may not be realised.
- Climate change could have unexpected consequences.

### **Renewable Energy Risks**

- Government policy towards renewable energy may change, including feed in tariffs and tax incentives.
- New technologies and energy generation may render hydro and PV obsolete or comparatively inefficient.
- Future electricity prices and business costs may not follow forecasted linear projections.
- Generation levels of solar and hydro power may not be as projected due to climatic variables, interruptions in operation due to repair and maintenance. Hydro power projections are based on flow data at Killington going back 30 years and solar power is based on industry standard modelling for a grid reference of Kendal.
- The Power Purchase Agreements obtained from the PV and hydro scheme may not always be as favourable as anticipated in the financial projections.

### **Installation and Operation Risks**

- Whilst the cost of installations are based on quotes and include contingency, and whilst the technologies come with time specific guarantees, unforeseen installation and operating costs could change projected income generation and therefore interest payments
- Installation may take longer than projected and therefore delay the generation of income
- We are awaiting planning permission for the PV on the HQ of the LDNPA, Murley Moss, though we are confident this will be granted, given that planning permission was previously granted in 2011 for a very similar 30kW solar array. This is not guaranteed.
- The Abstraction License for Killington Overflow will be periodically reviewed by the Environment Agency. This could lead to a change in the license conditions.
- The LDNPA may lease or sell its building, on which CEC's PV is installed. The Lease agreement includes compensation to CEC in this event, but there may be unforeseen legal costs involved if this transpires.

## SHARE OFFER

This offer is being made so that:

- A hydro scheme, comprising of one 30kW hydro turbine can be installed on the outflow of Killington Reservoir and a 29.7kW PV array can be installed on the headquarters of the Lake District National Park Authority's headquarters at Murley Moss – both to generate electricity.
- The local community (Cumbria) may benefit from the Society's activities.
- 305,000 ordinary Shares of £1 are offered at par and payable in full on acceptance of an application on the Terms and Conditions of this Offer Document. The shares, which will not be traded on any stock exchange, have been created under the Industrial & Provident Societies Act 1965.
- Full applications will be accepted on a first come, first served basis, with priority given to applicants resident in Cumbria. On or before the close of the share offer planned for 1<sup>st</sup> September 2015, at the discretion of the Board, should the sum of £305,000 not have been raised solely from residents of Cumbria, then allocation will default to applicants from outside Cumbria according to the date that CEC received their application. The Society retains the right to close the share issue at any time before 1<sup>st</sup> September 2015 if it has received the amount in full. See also 'Terms and Conditions' of share offer.
- Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by Community Energy Cumbria Ltd. at their Sales Office: Community Energy Cumbria Ltd, c/o CAFS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET. Each person or organisation issued with Shares becomes a Member of Community Energy Cumbria Ltd with membership rights defined in the Rules

The principal rights are:

- One vote per shareholding on resolutions of the Members, including in relation to the appointment of Directors.
- The right to receive a proportionate annual interest payment as a return on the investment in shares (subject to available funds).
- The right to the return of the original investment at the end of the life of the project, or at stages as determined by the Directors and subject to available surplus assets and any new business of the Society.
- As a member, eligibility for election to the Board.
- Interest will be paid according to the shares owned by each Member. The date on which entitlement to interest (or any dividend) arises will be announced each year. It is envisaged that any interest payment unclaimed for a period of 7 years will be cancelled for the benefit of Members.

## TERMS AND CONDITIONS FOR APPLYING TO SHARES

Before completing the Application Form you should consider taking appropriate financial and other advice, particularly in relation to any aspect of the Offer Document which is not clear to you.

### Your application

You cannot withdraw your application for shares after we receive your application form, BACS payment / cheque. The Directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reason for their decision. If the share offer is over-subscribed (i.e. the share offer attracts applicants for more than the amount needed to finance the two renewable energy projects of Community Energy Cumbria Ltd), shares will be allocated in order of receipt of application, with priority given to anyone living within Cumbria.

Once the full amount needed to finance Community Energy Cumbria Ltd has been raised, the Directors of Community Energy Cumbria Ltd will give notice of closure of the share offer via [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk) or CEC's email newsletter updates, and any applications received after this time will be returned to applicants. Your application will be considered for approval at the first convenient Board of Directors meeting after the closing date for the offer and therefore you should not expect an immediate response. All applicants will be informed at the latest by 11<sup>th</sup> September 2015, following the planned close of the share offer on 1<sup>st</sup> September 2015.

### Your payment

Shares are payable in full on application. The Directors will acknowledge receipt of your BACS payment / cheque and application form. They may cash your cheque as soon as it is received. CEC Ltd will hold your money on trust for you until the Directors have considered your application. The Directors will return your money to you (within 28 days of the Board of Directors meeting at which they consider your application) if they decide not to issue shares to you. If they decide to issue you with fewer shares than you applied for, they will return the balance to you (within 28 days of the Board of Directors meeting).

All monies subscribed will belong to Community Energy Cumbria Ltd (and the Directors will no longer hold it on trust for you) as soon as the Directors issue shares to you (to the extent that they take it as payment for shares). Community Energy Cumbria Ltd will not pay you interest on any money it returns to you.

### Your promise to us

You promise that:

- Your cheque will be honoured on presentation.
- You, as an individual, are at least 16 years of age.
- You have authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it.

- 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 2003. The Directors may have to hold back your shares until they see this.
- You are resident in the United Kingdom.
- You are not relying on any information or representation which is not included in this document.

### **Demutualisation**

You may not benefit financially from your shares if Community Energy Cumbria Ltd converts, or transfers its business or is wound up. In this case, the only financial benefits you may receive from your shares are:

- The possibility of interest (at a low rate).
- The possibility of the return of the money you pay for your shares.

If the Society has any money left over after paying all its debts and liabilities and repaying the value of your shares, this money must be donated to other community projects with an asset lock serving social and environmental initiatives within Cumbria.

### **Miscellaneous**

The laws of England apply to this document and any subscription made for shares in Community Energy Cumbria Ltd and the Courts of England and Wales have exclusive jurisdiction in relation to any disputes arising out of the same. You will be bound by the Rules of Community Energy Cumbria Ltd. (as may be amended from time to time) if the directors issue shares to you. The registered office of Community Energy Cumbria Ltd. is: Community Energy Cumbria Ltd, c/o CAFS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET.

### **OTHER THINGS WE NEED TO TELL YOU**

The list of risks contained in this document is not necessarily comprehensive. Shares in the Society are not 'investments' for the purposes of the Financial Services and Markets Act 2000 (FSMA), therefore you do not have the level of protection that you might otherwise be offered by that Act or subsidiary regulations. In particular, this document does not need approval (and has not been reviewed, authorised or otherwise approved) by an "authorised person" under section 21 of FSMA or by any regulatory body.

As a community benefit society, Community Energy Cumbria Ltd is registered with, but not authorised or regulated by, the Financial Conduct Authority and therefore any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. In particular, you will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

Community Energy Cumbria Ltd was established as an Industrial and Provident Society for the Benefit of the Community (and registered with the Financial Conduct Authority on 4<sup>th</sup> March 2015) (registered number 7084). We use governing documents provided by Cooperatives UK ([www.uk.coop](http://www.uk.coop)). Our governing document, the Rules of Community Energy Cumbria Ltd, is available to download at [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk) and explains member rights as well as the

management and constitution of the Society. As with any investment, there is risk involved. Should Community Energy Cumbria get into financial difficulties:

- We may not be in a position to pay interest
- We may have to suspend your rights to withdraw shares
- You may lose all the money you pay for your shares

If Community Energy Cumbria Ltd is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; and finally any surplus remaining will be passed onto a charity, society or other body with similar objectives.

The Directors of Community Energy Cumbria Ltd have taken all reasonable steps to ensure that the facts stated in this document are clear, fair and not misleading in all material respects and that there are no other material facts, the omission of which would make misleading any statement in this document. To the extent permitted by relevant law and regulation, the Directors and Community Energy Cumbria Ltd expressly disclaim and exclude any and all liability based on this document and for any errors or omissions contained in it. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised.

All statements of opinion contained in this document, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of Community Energy Cumbria Ltd represent the assessment of the Directors based on information available to them as at the date of this document but are not to be read as guarantees or assurances that the particular events will in fact come about. Accordingly, no representation is made or warranty given as to the accuracy, completeness, achievability or reasonableness of any such projections, views, statements or forecasts.

Can you afford to be without the money you would pay for these shares? If not, please do not buy any shares.



Lakeland Fells. Photo by kind permission of Tony Stephenson



## HOW TO APPLY FOR SHARES

Please read the whole of this document and refer to The Rules of Community Energy Cumbria Ltd (available at [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk) or on request from Community Energy Cumbria Ltd, c/o CAfS, Eden Rural Foyer, Old London Road, Penrith, CA11 8ET) before making an application for shares.

You may make an individual, joint, or corporate application for Shares - please use the appropriate application form.

You may also hold shares on behalf of a child. Shares purchased on behalf of a child nominee will be held in the name of the Applicant and transferred to the child upon reaching the age of 16. Any returns payable in respect of the Shares will be paid direct to the child. It is not possible to become a member twice; this means you cannot become a member in your own right and also be a member holding shares on behalf of a child.

You may nominate a person to whom you wish the shares to be passed after your death. In the event of death of a shareholder, the repaid value of the shares will normally be added to the estate for probate purposes. Nominating a recipient for the value of these shares removes the value of these shares from your estate for probate purposes (but not tax purposes).

### **IMPORTANT – PAYMENT & COMPLETED APPLICATION FORM**

Whether you pay by our preferred method of BACS or cheque, please also complete an application form. CEC will send you an email receipt or write to you confirming we have received your payment and application form.

#### **BACS PAYMENTS**

Once you have filled in the appropriate application forms please make a BACS payment to Community Energy Cumbria at Unity Trust Bank

Account Name: Community Energy Cumbria  
Account No: 20348315  
Sort Code: 08-60-01

Your reference: Please provide your SURNAME (e.g. ARNOLD) in capitals and your POSTCODE (e.g. CA10 3ET) as a reference: ARNOLDCA103ET Thank you.

#### **CHEQUE PAYMENTS**

Send a cheque payable to 'Community Energy Cumbria' and post the cheque and the form(s) to: Community Energy Cumbria Ltd, c/o CAfS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET.

The closing date for applications is 1<sup>st</sup> September 2015.



## COMMUNITY ENERGY CUMBRIA SHARE OFFER FOR HYDRO ELECTRIC TURBINE AND SOLAR PHOTOVOLTAIC ARRAYS

### APPLICATION FORM – FOR USE BY INDIVIDUAL AND JOINT APPLICANTS

I/we wish to become a member of Community Energy Cumbria Ltd in accordance with the Rules and apply for Ordinary Shares to the value of: £ \_\_\_\_\_. (For this offer, the minimum shareholding is £250 and the maximum £50,000.)

#### Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Community Energy Cumbria Ltd purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, Community Energy Cumbria Ltd may at its absolute discretion require verification of identity of any person seeking to invest.

#### Agreement - Please tick

- ☐ I have read the Share offer Document, including risk factors.
- ☐ I wish to become a member of Community Energy Cumbria Ltd
- ☐ I agree to be bound by the Terms and Conditions included in the Share Offer Document and the rules of Community Energy Cumbria Ltd (see [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk))
- ☐ I understand that the Board of Directors of Community Energy Cumbria Ltd may reject my/our application, and are not obliged to tell me/us why it has been rejected. They may also reduce the number of shares that I /we applied for, as long they redeem the difference between my payment and the value of the shares that they issue to me.
- ☐ I consent to receiving formal notices by email and links to formal documents on Community Energy Cumbria's website.

	Applicant	Joint Applicant
First Name		
Last Name		
Address		
Postcode		
Tel No.		
Email		
Signed as a Deed		
Date		

NB. For more than two joint applicants, please photocopy this form and ensure that each applicant completes and signs the form.

**Payment** – please tick where applicable. For payment details see page 40 of this document.

- ☐ I have sent a BACS payment with the reference \_\_\_\_\_
- ☐ I enclose a cheque for £ \_\_\_\_\_ amount made payable to 'Community Energy Cumbria'.

Please send this completed form with your cheque payment if applicable to Community Energy Cumbria Ltd, c/o CAFS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET.

The closing date for applications is 1<sup>st</sup> September 2015.



**COMMUNITY ENERGY CUMBRIA**  
**SHARE OFFER FOR HYDRO ELECTRIC TURBINE AND SOLAR PHOTOVOLTAIC ARRAYS**

**APPLICATION FORM FOR USE BY CORPORATE APPLICANTS**

I wish to become a member of Community Energy Cumbria Ltd in accordance with the Rules and apply for Ordinary Shares to the value of: £ \_\_\_\_\_. (For this offer, the minimum shareholding is £250 and the maximum £50,000.)

**Data protection and money laundering**

The data provided by you on this form will be stored within a computerised database. This data will be used only for Community Energy Cumbria Ltd purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, Community Energy Cumbria Ltd may at its absolute discretion require verification of identity of any person seeking to invest.

**Agreement - Please tick**

- ☐ I have read the Share offer Document, including risk factors.  
☐ I wish to become a member of Community Energy Cumbria Ltd  
☐ I agree to be bound by the Terms and Conditions included in the Share Offer Document and the rules of Community Energy Cumbria Ltd (see [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk))  
☐ I understand that the Board of Directors of Community Energy Cumbria Ltd may reject my/our application, and are not obliged to tell me/us why it has been rejected. They may also reduce the number of shares that I /we applied for, as long they redeem the difference between my payment and the value of the shares that they issue to me.  
☐ I consent to receiving formal notices by email and links to formal documents on Community Energy Cumbria's website.

	Applicant
Society Name	
Reg'd Society Number	
Contact Name	
Address	
Postcode	
Tel No.	
Email	
Signatory #1	
Signatory #2	
Signed as a deed for & on behalf of above society	
Date	

**Payment** – please tick where applicable. For payment details see page 40 of this document.

- ☐ I have sent a BACS payment with the reference \_\_\_\_\_  
☐ I enclose a cheque for £ \_\_\_\_\_

Please send this completed form with your cheque payment if applicable to Community Energy Cumbria Ltd, c/o CAFS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET.

The closing date for applications is 1<sup>st</sup> September 2015.



## COMMUNITY ENERGY CUMBRIA SHARE OFFER FOR HYDRO ELECTRIC TURBINE AND SOLAR PHOTOVOLTAIC ARRAYS

### HOLDING SHARES ON BEHALF OF CHILDREN

I wish to become a member of Community Energy Cumbria Ltd in accordance with the Rules and apply for Ordinary Shares to the value of: £ \_\_\_\_\_. (For this offer, the minimum shareholding is £250 and the maximum £50,000.) I wish to hold these shares on behalf of the person under 16 named below.

### Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Community Energy Cumbria Ltd purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, Community Energy Cumbria Ltd may at its absolute discretion require verification of identity of any person seeking to invest.

### Agreement - Please tick

- ☐ I have read the Share offer Document, including risk factors.
- ☐ I wish to become a member of Community Energy Cumbria Ltd
- ☐ I agree to be bound by the Terms and Conditions included in the Share Offer Document and the rules of Community Energy Cumbria Ltd (see [www.communityenergycumbria.org.uk](http://www.communityenergycumbria.org.uk))
- ☐ I understand that the Board of Directors of Community Energy Cumbria Ltd may reject my/our application, and are not obliged to tell me/us why it has been rejected. They may also reduce the number of shares that I /we applied for, as long they redeem the difference between my payment and the value of the shares that they issue to me.
- ☐ I consent to receiving formal notices by email and links to formal documents on Community Energy Cumbria's website.

	Applicant	Shares to be held in the name of:
First Name		
Last Name		
Address		
Postcode		
Tel No.		
Email		
Signed as a Deed		
Date		
Date of Birth (Under 16 only)		

**Payment** – please tick where applicable. For payment details see page 40 of this document.

- ☐ I have sent a BACS payment with the reference \_\_\_\_\_
- ☐ I enclose a cheque for £ \_\_\_\_\_ amount made payable to 'Community Energy Cumbria'.

Please send this completed form with your cheque payment if applicable to Community Energy Cumbria Ltd, c/o CAFS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET.



## NOMINATION OF SHARES ON DEATH

I wish to nominate a person to whom I wish my shares to be transferred on my death.

You can nominate a person aged 16 or over to whom you wish your shares to be transferred on your death. Trustees will need to be appointed for a nominee under 16 years old. Community Energy Cumbria Ltd will respect your wish in so far as the law and our Rules permit. If you are a joint shareholder, your holding will pass to the other joint shareholder(s) on your death unless you complete the form below.

	Nominee/Trustee (if nominee under 16)	Nominee (under 16)
First Name		
Last Name		
Address		
Postcode		
Tel No.		
Signed as a Deed		
Date		
Date of Birth (Under 16 only)		

Please send this nomination form along with your application and cheque payment if applicable to Community Energy Cumbria Ltd, c/o CAfS, Eden Rural Foyer, Old London Rd, Penrith, Cumbria CA11 8ET.