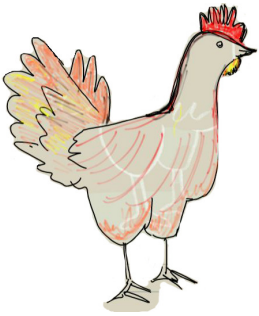


# Hertford Energy Now!



Generating power for the community

## Prospectus for Mill Mead School Community Energy Project 2013

Share offer opens: 1st November 2013  
Share offer closes: 30th November 2013



Supported by:

*Transition*  
**HERTFORD**



## Why we're doing this

Melting Arctic ice, scorching heat waves and record droughts. . . It's hard to ignore the fact that extreme events are occurring all over the globe and many people, and the majority of scientists, believe that if we don't tackle climate change, worse is to come.

Whatever your view on global warming, you will certainly have noticed its effects on your purse - the price of some foods has risen rapidly due to poor harvests. On top of that, fossil fuels are becoming more expensive as they get harder to extract. In other words we're being hit by a double-whammy that's set to push up our food costs and energy bills even further.

But we can act. By investing in renewable energy sources, we can reduce our reliance on fossil fuels, and cut carbon pollution so tackling climate change. To help us play our part, the government has introduced a number of incentives. One of these is the Feed-In Tariff (FIT) which currently pays about 17p for every unit of electricity generated through solar power. The FIT is index-linked and guaranteed by the government for 20 years.

Others are already making use of the FIT: at Nayland in Suffolk, residents set up a community company which worked with Nayland primary school to raise money for solar panels. They didn't depend on grants or donations: "Green Energy Nayland" funded their panels through a community share issue scheme, in which parents and families at Nayland school along with other local residents, came together to buy shares. This paid for the panels. The FIT then gave Green Energy Nayland a guaranteed income with which to pay those investors back, with interest. The school gets cut-price electricity, the pupils see renewable energy in action. The community owns the panels and shares in the benefits. Everyone wins.

What works well in Suffolk can work in Hertford too. With enthusiastic support from Mill Mead's head teacher Sue Nesbitt-Larking, we have set up a not-for-profit company called Hertford Energy Now (HEN) to manage our own community-funded solar array.

With this prospectus, we hope to attract support from families with children at Mill Mead as well as other residents, who are prepared to commit anything from £250 upwards. Investing together, we can raise the funds for a solar PV system, giving Mill Mead School the benefit of cheaper electricity and freeing up school funds for other purposes. The project will give every resident the chance to play a part in generating renewable energy and working together, we can reduce the town's carbon footprint.

Nayland and Hertford are not alone in raising money and generating energy in this way. There are hundreds of community energy schemes across the UK that have been funded through share-offers. And just as at Nayland, Kings Langley, Lewes, Oxford and other places where community energy groups are operating, those taking part will get interest payments on their shares. We stress this is a social investment rather than a money-making scheme, but we believe HEN can give a fair return on capital, and provide important benefits for the community at the same time. Please read this prospectus carefully for full details of the scheme, including its terms and conditions. And we hope that it will leave you keen to join us in this exciting new venture.

*Graham Kennard, Ben Crystall, Louise Gilmartin Smith and Ann Woodward*

# Contents:

1. Summary	page 4
2. The Project	page 5
2.1 Hertford Energy Now	page 6
2.2 Benefits	page 6
For the school	
For investors	
For the community	
For the UK	
2.3 Income	page 8
Generation Tariff	
Export Tariff	
2.4 Installation and operation	page 9
2.5 Financial model and indicative returns	page 9
Enterprise Investment Scheme	
3. Terms and conditions	page 10
3.1 Shares offered	
3.2 Voting	page 11
3.3 Interest payments	
3.4 Withdrawal of shares	
3.5 Application for membership	
3.6 Responsibilities of applicants	page 12
3.7 Dissolution	
3.8 Communication	
3.9 General matters	
3.10 Further projects	
4. Risks	page 13
5. Who we are	page 14
6. Glossary	page 15
7. Application form for Individuals	page 16
8. Application form for Organisations	page 18

# 1 Summary

This document details an invitation to subscribe for shares in Hertford Energy Now (HEN). HEN is a society for the benefit of the community, registered with the Financial Conduct Authority under the Industrial & Provident Societies (IPS) Act of 1965.

Through this Share Offer, HEN is seeking to raise £45,000 with which it will purchase 25 kilowatts (kW) of solar (photovoltaic) panels. These will be mounted on the roof of Mill Mead School in Port Vale, Hertford. This project will increase renewable energy generation in Hertford and help reduce Mill Mead's electricity bill. It will also benefit from the UK Government's Feed-In Tariff (FIT) which will provide a financial return to investors (See Sections 2.2-2.3). To this end, HEN is looking for individuals or organisations with between £250 and £20,000 to commit in a long-term, medium-risk, moderate-return investment.

This summary is an introduction only. As a prospective investor, you should read the whole of this Share Offer. Full details on the legal compliance and the Terms and Conditions, and Risks, of the Share Offer are set out below (Sections 3 and 4). Please read them carefully - an investment in the shares offered in this document carries risks and you may lose the value of your investment. You should also read the Rules of the company, available at: [www.hertfordenergy.org.uk](http://www.hertfordenergy.org.uk)

Technical and other words and phrases used with a particular meaning in this Share Offer are defined in the Glossary (Section 6). You can find an application form at the end (Section 7). If you have any doubts or questions, you should seek independent advice.

The initial Share Offer period is for four weeks, opening on the 1st November 2013 and closing on 30th November 2013. At the discretion of the Directors, the offer may be extended for up to a further 12 weeks. In the event that the offer is oversubscribed, priority will be given to local residents (geographically closest to Mill Mead School).

The information contained in this document has been prepared under the supervision of the directors of HEN, who take responsibility for its contents. To the best of their knowledge, all information is accurate.



## 2 The project

The aim is to install 25 kilowatts of solar (photovoltaic) panels on the flat roof sections of Mill Mead School in Port Vale, Hertford SG14 3AA. The funding, purchase and maintenance of the panels is being organised by HEN. HEN will raise the funds for the solar panels by selling shares. Once the panels are installed, HEN will be responsible for their maintenance and for the management of the scheme (see Section 2.4).

The project's aims are:

- i) To generate as much renewable electricity as possible, as economically as possible, on the roof of Mill Mead School.
- ii) To create a financial surplus from the FIT to provide investors with a fair and reasonable return on their investment
- iii) To help Mill Mead School cut its spending on electricity
- iv) To cut the amount of carbon pollution released by the community
- v) To engage with the school community and other residents and groups in Hertford as stakeholders in, and as beneficiaries of, this renewable energy project.
- vi) To provide a model which can be adopted elsewhere in the community, and to offer guidance to anyone interested in establishing similar projects

A key aim of the project is that it will incur no cost for Mill Mead School. Instead, HEN will raise the funds needed by selling shares to the school community, staff, parents, grand-parents and former pupils, and also invite local residents, organisations and businesses to become part of the venture.

As much as possible of the electricity generated by the panels will be used onsite, providing approximately 20% of the school's annual electricity consumption at no cost to the school. Over the 20 years the project will run, we estimate that this will save the school at least £40,000 in bills and eliminate carbon emissions totalling more than 200 tonnes (See Section 2.2). Surplus electricity will be sold to the school's electricity Supplier (see Section 2.3).



## 2.1 Hertford Energy Now

Hertford Energy Now is NOT a conventional company: it doesn't seek to make a profit, and its shares cannot be traded or sold on the stock market. Rather, it is an organisation registered under the Industrial & Provident Societies Act as a society for the benefit of the community (register number 32182R). This means that it is jointly owned and managed by its Members who are protected by limited liability status. A community benefit society is run primarily for the benefit of the community at large, rather than just for members of the society, and HEN's rules have been prepared through consultation with the Co-operatives UK.

Key aspects of HEN include the following;

- If you purchase shares you become a member.
- It is a democratic enterprise, operating on a one member, one vote policy.
- The Board of Directors is elected by the Members each year at the Annual General Meeting.
- The Directors aim to provide a financial return on investments through annual interest payments generated by the Government's Feed-In Tariff
- Members decide collectively how to divide and distribute the income generated by the project, in accordance with HEN's rules.
- HEN's assets cannot be sold. At the end of the 20 year Feed-In Tariff contract term the Directors intend to donate the system to the school.
- Minutes of meetings and accounts will be kept and made available to members

Full details can be found in HEN's Rules at [www.hertfordenergynow.org.uk](http://www.hertfordenergynow.org.uk)

HEN is registered under the company name Hertfordshire Energy Now but trades under the name Hertford Energy Now for ease. The company's registered address is 10A North Road, Hertford, Herts SG14 1LS

## 2.2 Benefits

The project offers a wide number of benefits to the whole community. These are outlined below:

### For the school

This scheme involves no financial outlay for Mill Mead School and therefore presents no financial risk to the school. On the other hand, it will provide substantial benefits.

The School uses approximately 65,000 kiloWatt hours (KWh) of electricity per year and spends roughly £10,000 annually on electricity. For the last 3 years, energy bills have risen at more than 8% per year, on average, and there is no sign that this inflation will come to an end, so any way to reduce or stabilise the school's fuel bill will result in significant savings.

According to our financial projections, we estimate that a 25 kW solar panel array will save Mill Mead School at least £40,000 on its electricity bill over the 20 year lifetime of the project, monies which can be redirected to learning resources. In addition, the panels are guaranteed to last a further 5-10 years, and since HEN will donate the panels to the school at the end of the 20-year project,

ultimate savings are expected to be well in excess of this amount.

As well as direct financial benefits, the solar panels offer an educational resource for the school. The electricity output from the panels will be displayed in the school lobby so it will be visible to pupils, staff and visitors. There are also a number of ways in which renewable energy, and these solar panels in particular, can be linked into the curriculum, within topics such as maths, science, technology and the environment.

## For investors

Primarily this is a social investment but with bank interest rates at extremely low levels, HEN's financial projections suggest that the scheme can provide an attractive rate of return to investors. Over the 20 years for which this project will run, HEN estimates that investors will receive a return of between 3% and 6%. Long-term investors should benefit from the higher rates as well as from tax saving incentives like the Enterprise Investment Scheme. However it is hoped that all members will benefit equally as much from the social return of their investment. For details of the financial model, see Section 2.5.

***“Community engagement in the energy sector will be vital... in the UK in the coming decades.”***

**Greg Barker, Minister of State for Energy and Climate Change**

## For the community

The local community will benefit through increased social participation and volunteering, through new education opportunities in technology, energy and climate change, and through the adoption of new skills associated with managing an energy-generating scheme. For instance, a recent analysis of Scottish community energy projects<sup>(1)</sup> found they can "have substantial impacts on community facilities, confidence, employment and training opportunities". A study by the National Trust <sup>(2)</sup> finds "community renewables schemes can deliver a range of social and economic benefits to local communities including increased autonomy, empowerment and resilience by providing a long term income and local control over finances. . . Other benefits include opportunities for education and a strengthened sense of place."

This project provides a step on the road towards making the community around Mill Mead School environmentally sustainable and should offer schools and organisations in the town the confidence to follow suit - HEN is committed to helping others follow its lead. The scheme also democratises energy generation by giving all residents the chance to share in the benefits of renewable energy generation - even those without the necessary roof space or capital for their own solar panels. Finally, there is the opportunity to re-invest a proportion of profits by funding local energy saving initiatives that can help tackle fuel poverty - for example, the SESAMEY scheme<sup>(3)</sup> being run by Transition Hertford.

1) [http://www.communityenergyscotland.org.uk/innovation/analysing\\_socio/economic\\_impact\\_of\\_community\\_energy/social\\_impact\\_study](http://www.communityenergyscotland.org.uk/innovation/analysing_socio/economic_impact_of_community_energy/social_impact_study)

2) <http://www.nationaltrust.org.uk/document-1355801417213/>

3) [www.transitionhertford.org.uk](http://www.transitionhertford.org.uk)



## For the UK

The UK government has committed to reducing the nation's greenhouse gas emissions by 80% by 2050. This project will take a small but significant step towards that goal: over the 20 year lifetime of the project, the 25 kW panels are expected to save more than 230 tonnes of CO<sub>2</sub>. In addition, HEN hopes to reinvest a small proportion of its profits in local energy saving schemes, which should help increase the overall emissions savings, and provide financial benefits for the community.

Creating electricity close to where it is used can also help to improve the overall efficiency and resilience of the UK's power generating network. Currently this network relies on centralised power stations and a large grid of cables but there are significant losses of electricity during transmission - roughly 6% is lost. Some losses can be reduced by generating power locally. This kind of microgeneration is set to become an important source of power for the UK. The UK Energy Saving Trust estimates that small scale power generators of various kinds could provide 30 to 40 per cent of the UK's electricity needs by 2050.

## 2.3 Income

Once the panels are in place, HEN will receive an income from the Feed-In Tariff (FIT). This income will be used to repay investors, cover insurance and the minor administration costs associated with the scheme, and provide maintenance for the panels and associated equipment such as the Inverters.

The FIT was introduced in the 2008 Energy Act and provides a guaranteed price per kilowatt hour (kWh) for those generating energy by renewable means - in HEN's case, solar panels. The FIT takes the form of a 20 year agreement with an Electricity Supplier at an initial price - currently about 17.2 p per unit, which is set to rise in line with the Retail Price Index over the life of the agreement. The Feed In Tariff is made up of two parts, the Generation Tariff and the Export Tariff.

### Generation Tariff

The level of the Generation Tariff is based on the peak capacity of the installed solar photo-voltaic system. At <50kWp panels earn 12.57p for every kWh generated. HEN proposes to install a 25kWp system on the school roof at a cost of about £45,000.

Manufacturers suggest that a 25kWp system will be able to generate up to 24,000 kWh of electricity in the first year. The efficiency of the solar panels will decrease very slightly over the years at a rate of about 0.3%, but they will still generate useful amounts of electricity well beyond 25 years. The Generation Tariff payments come from the school's contracted electricity Supplier. The payments will be signed directly over to HEN.

***“I want nothing less than a community energy revolution.”***

**Ed Davey, Sec of State for Energy and Climate Change**

## Export Tariff

During daylight hours, when the school is in operation, most of the electricity generated will be used on site. However, at weekends and during the summer holidays, there is likely to be an excess and this is exported to the national grid for use elsewhere.

The contracted electricity Supplier has to pay an additional 4.64p per kWh for this. Unless HEN decides it is worth fitting an Export Meter in the school (to record the amount sent to the mains), the electricity supplier makes payments assuming that half of the electricity generated by the panels is exported to the grid.

HEN's model predicts that in the first year of operation, the Generation and Export Tariffs will add up to approximately £3500, rising to more than £5000 annually by Year 15. The tariff will be adjusted annually for inflation and we estimate a 0.3% decline in output per year due to the natural performance decline of solar panels.

The financial model can be found at [www.hertfordenergynow.org.uk](http://www.hertfordenergynow.org.uk)

## 2.4 Installation and operation of the panels

HEN will be responsible for organising roof surveys, panel specification, initial purchasing and installation of the solar panels, and for their maintenance during the 20-year duration of the scheme. HEN will also be responsible for ensuring electrical equipment such as Inverters and connections are secure and operational.

HEN has agreement in principle from Mill Mead School staff and governors for this project to proceed and is negotiating a Heads of Terms agreement. It is also following procedures laid down by Herts County Council which owns the school building. HEN has begun discussions with East Herts Council over planning permission, and has agreement from the electricity company UK Power Networks that the electricity generated can be exported to the national grid at no cost.

## 2.5 Financial model and indicative returns

All the members of HEN will determine, collectively and co-operatively, what to do with any financial return that results from their investment. This may include a combination of a financial return to the investors, and investment in local energy-efficiency initiatives. But to provide an indication of what is possible, given the size of the panels and capital cost of the project, the Directors of HEN have prepared a financial model to predict revenue during the 20-year project.

Our model shows that the average gross annual income generated from the Feed-In Tariff is approximately 10% of the total investment. Out of this income, HEN estimates that:

- About 40% will be set aside to refund Members who wish to withdraw their shares (after a minimum of three years, and subject to accumulation of sufficient funds by HEN).
- Approximately 20% covers ongoing administration, insurance, and maintenance costs.
- Members will receive non-compounded annual interest payments amounting to at least 3% of

their investment, but possibly amounting to more than 6%.

- A proportion of the balance (to be decided by members) could be set aside in a fund for other local energy-saving projects.

The detailed financial model is available for download at: [www.hertfordenergynow.org.uk](http://www.hertfordenergynow.org.uk)

NOTE: HEN's directors are unpaid and give time on a voluntary basis and only a very small part of the investment capital will be used to pay for administration. The projection includes insurance and approximately £500 annually for maintenance and to cover equipment failure, such as the Inverters.

## Enterprise Investment Scheme

It is the intention of the Directors to register with HMRC's Enterprise Investment Scheme. If EIS approval is granted, investors will be able to claim income tax relief equal to 30% of their investment. HEN will subsequently issue the EIS certificate that can be used to claim income tax relief. This tax relief can be applied to the current tax or preceding year.

It is the responsibility of the Member to indicate that they wish to be included in the EIS submission and to use the EIS certificate to claim their relief. HEN can only qualify for the EIS once trading has commenced and it cannot be guaranteed, but if our application is accepted (there is no reason to suspect that HEN is ineligible), members will need to hold a minimum of 500 shares for at least three years in order to qualify for the tax relief. Prospective investors should seek professional advice on this matter and any other tax issue. (NOTE: we may even be eligible to claim Seed EIS at 50%!)

## 3 Terms and conditions

This document is issued by Hertford Energy Now, an Industrial & Provident Society for the benefit of the community, incorporated under the Industrial & Provident Society Acts 1965.

Our registered office is 10A North Road, Hertford, Herts SG14 1LS. The Rules governing the society can be found at <http://www.hertfordenergynow.org.uk>

### 3.1 Shares Offered

- In return for your investment you will receive shares in the Society and become a Member.
- The subscription price for each share issued by HEN is £1. This is the face value and does not necessarily mean the share is worth £1. The share value may fall but cannot rise.
- The minimum shareholding for which you can apply is £250 (250 Shares at £1 each) and the maximum you can hold is set by law at £20,000. You may apply for any amount between £250 and £20,000. The application form is at the end of the prospectus.
- You will need a minimum of £500 if you wish to be eligible for the Enterprise Investment Scheme (EIS), which may have some personal tax benefits (See section 2.5).
- The Directors are keen to attract Members who are committed to a long term relationship with the society. Individuals, companies and unincorporated organisations are welcome to apply.
- Shares cannot be transferred to another person except in the case of death or bankruptcy.
- The Rules of the Society state that shares can be withdrawn, which means the Society could buy them back. However withdrawals can only be allowed if the financial state of HEN, in the view of the

Directors, makes it prudent to do so and there can be no absolute guarantee of recovering your investment. In addition withdrawals will not be allowed during the first three years, which is a legal requirement to allow us to apply for the Enterprise Investment Scheme. In the event of HEN ceasing to trade Members will receive a maximum of £1 for each Share held after creditors have been paid.

## 3.2 Voting

The Society is owned by its Members and the Directors will be elected at the Annual General Meeting from within the membership. Each Member has one vote regardless of the size of their shareholding. Progress of the Society will be reported at the AGM where elections of Directors will take place in accordance with the Rules; there will be no proxy or postal voting.

## 3.3 Interest Payments

In addition to the social benefits of producing renewable energy and thereby helping the school reduce its carbon footprint, investors will receive an interest payment that is similar to the dividends paid on shares in limited companies.

The Directors of the Society will be responsible for recommending the interest rate to be paid from time to time and this will be reviewed by the Members at the AGM. Based on our analysis HEN will not pay interest in the first year, but from the second year onwards, our aspiration is to pay a minimum of 3% interest annually. We expect overall returns to be higher than this figure. However, the Directors cannot guarantee the rate or indeed that interest payments can be made. Members may be liable to income tax on the interest received.

After maintenance and administrative costs the Directors expect to distribute the great majority of income to investors each year.

## 3.4 Withdrawal of Shares

Shares in an IPS cannot be traded and cannot increase in value, but investors wishing to realise the value of the Shares can usually do so through the Withdrawal process, by which the society buys them back.

HEN will only allow withdrawals after 3 years have elapsed, and given 3 months notice where the financial position of HEN allows, but this will be limited on an annual basis. Withdrawals will be processed in the order that they are received and a minimum of 250 shares must be held in order to retain membership of the society.

The Directors reserve the right to suspend withdrawals whenever the financial position of the Society requires them to do so. There is no guarantee of having your investment repaid.

You should only invest money that you can afford to tie up for a long period.

HEN is not a bank and your investment does not have the benefit of any deposit protection scheme. If in any doubt please take advice from an independent financial advisor.

## 3.5 Application for Membership

You cannot withdraw your application for Shares once HEN has received the completed application

form. Any prospective investor should therefore be sure they have the financial means to fulfil their application. The Directors reserve the right to refuse an application without having to give any reason for the decision. They may decide not to issue any shares or to issue fewer shares than you applied for. HEN will bank your cheque and acknowledge receipt but will not issue shares until the Directors are certain that the project will proceed. In the event of HEN failing to raise the necessary money or otherwise failing to proceed with the installation of the solar panels, within 6 months HEN will return money to the Members. No interest will be paid in this eventuality.

## 3.6 Responsibilities of Applicants

By submission of your application, you commit that;

- your cheque will be honoured
- if an individual, you are aged over 16 years
- you have authority to sign the application
- you will supply HEN with proof of your identity and address if required in order to comply with Money Laundering regulations
- you agree to be contacted for all purposes by email and to notify HEN if this email changes
- you will be bound by HEN's Rules with respect to your Membership and Share holding.

## 3.7 Dissolution

By law HEN is not allowed to sell its assets in the event that the business has to be wound up. This means that you may not recover your investment. At the end of the 20 year term HEN intends to donate the solar PV system to the school. However it is our intention to run additional schemes which Members will be able to invest in. Existing Members will be given preference in applications on future schemes.

## 3.8 Communication

Members will be kept informed of the progress of the society via email, our website and at an Annual General Meeting (AGM). Notice of the AGM will be issued at least 6 weeks in advance by email and via the website [www.hertfordenergynow.org.uk](http://www.hertfordenergynow.org.uk)

If you have any questions, please email [info@hertfordenergynow.org.uk](mailto:info@hertfordenergynow.org.uk) or call 07714 088555.

## 3.9 General Matters

Member's details will be held on a computer database and will only be used for Society business and not disclosed to any third party. HEN will comply with Data Protection regulation and as such Members can request a copy of information held about them.

## 3.10 Further projects

Although it is anticipated that further projects in the area will be found, the Directors will seek the consent of Members before engaging in such projects at other sites.

## 4 The risks

Offer documents such as this one must point out that all forms of investment carry risks although the Directors have made every effort to ensure that investing in HEN is a sound proposition.

As HEN is an IPS, our share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means that you have no right of complaint to an ombudsman. An IPS is registered with but not authorised by the Financial Conduct Authority and so any money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. Please consider your investment carefully in the context of the complete share offer document, and seek independent advice if you are not sure about anything.

However the Directors consider that this project is more risk-free than many forms of investment because it creates what is expected to be a secure income stream over 20 years and the calculation of the investment needed includes the costs of administering the project and maintaining the installation. Any cost arising from damage to the solar roof structure itself, apart from standard exclusions, will be fully covered by insurance. Nevertheless, the Directors have identified the following risks.

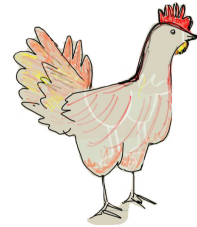
- The price of electricity can go down as well as up.
- Changes in legislation, especially to the value of the FIT, would affect the project.
- The amount of electricity produced may vary because of unusual weather patterns.
- The project may be delayed for technical, financial or legal reasons.
- There may be interruptions to electricity generation because of financial or legal matters.
- There may be damage to the site or mechanical / electrical failure of equipment that interrupts generation of electricity.
- The capital costs are based on calculations carried out before this share issue. Any subsequent increase in capital costs will have to be met by monies raised in this share offer and any other sources of funding (gifts, grants and loans).
- Legislative changes to the roles and functions of the Financial Conduct Authority or to those of other regulatory bodies may change the way in which Hertford Energy Now is regulated.

The Directors will seek to protect against these risks through prudent management practices and a detailed risk assessment, which is available on request.

**"From consumers to community groups, I want them all to consider generating their own energy at real scale, as well as starting to sell their excess energy on a commercial basis. A decentralised power to the people energy revolution"**

Greg Barker, Energy and Climate Change minister

## 5 Who we are



Graham Kennard has 30 years experience developing and managing services in health and social care within the NHS. He is now an independent consultant and current projects include the development of supported housing services for people on the autistic spectrum with mental health needs and advising on costs of care. He has been a governor at Mill Mead School for a number of years.

Louise Gilmartin Smith is a qualified accountant (ACCA) with 15 years experience in the Engineering and Telecoms industries. She put her career on hold 8 years ago to focus on raising her two children, both of whom attend Mill Mead School. Any spare time she has is taken up with running and cycling!



Ann Woodward has over 15 years' experience working in the health and social care sector in Hertfordshire, most recently as a Programme Manager with a local NHS Trust. A keen advocate of Fairtrade, she successfully campaigned for Hertford to become a Fairtrade Town and, more recently, supported Mill Mead with becoming the first Fairtrade School in Hertford.

Ben Crystall received a doctorate at Imperial College London and spent 5 years as a research scientist. Since 1996 he has written and edited at *New Scientist* magazine. He is a governor at Mill Mead School, supports Transition Hertford and loves gardening and archaeology.



### Declaration:

Hertford Energy Now and each of its Directors whose names are set out above hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Share Offer is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

## 6 Glossary

**Directors:** directors of the society or those people appointed to perform the office of director.

**EIS:** Enterprise Investment Scheme. Allows qualifying investors in qualifying companies to reclaim 30% of their investment from HMRC.

**Export Tariff:** The component of the FIT based on the amount exported to the National Grid.

**Feed-In Tariff (FIT):** Incentive introduced through the 2008 Energy Act to provide a guaranteed price per kilowatt hour for renewable energy generation.

**Generation Tariff:** The component of the FIT based on the actual electricity generated.

**Heads of Terms Agreement:** The contract between HEN and owner/occupier of Mill Mead school.

**HEN:** Hertford Energy Now.

**HMRC:** Her Majesty's Revenue and Customs

**Inverter:** Appliance used to convert the electricity from DC to AC current

**IPS:** Industrial and Provident Society - a not-for profit society for the benefit of the community

**KWp:** KiloWatt peak; peak generation capacity of the solar PV system

**KWh:** KiloWatt Hour; a unit of energy, equal to the energy that can provide the power of 1 kW for the period of one hour.

**Member:** A holder of shares in HEN and therefore a Member

**Offer Period:** The period during which the invitation to purchase shares pursuant to this Share Offer will remain open (including any extension) as set out in the timetable in this document

**PV:** Photovoltaic. A semiconductor panel to convert light into electricity

**RPI:** Retail Price Index

**Seed Enterprise Investment Scheme:** Allows qualifying investors in qualifying companies to reclaim 50% of their investment from HMRC.

**Share Offer:** The Offer of Shares in HEN contained in this document

**Shares:** Shares in the society, each having equal rights to interest or other distributions.

**Supplier:** A holder of an Electricity Supply License.

**Withdrawal:** Process by which the society pays the member back some or all (but not more than) the initial price per share and cancels the share.

**"Community-owned energy initiatives can deliver local economic and social benefits while helping the UK to meet its energy needs and climate change goals - a catalyst for a step-change in people's thinking and relationship with energy."**

Michael Fairclough, The Co-operative's Head of Community and Co-operative Investment



## 7 Application Form for Individuals

Important: before completing this Application Form you must:

- Read the accompanying Share Offer Document
- Pay special attention to the Risks set out on page 13 of this Share Offer
- Decide if you need to take financial or other advice in relation to the Terms and Conditions in the Share Offer
- Read the Rules of Hertford Energy Now available on the website: [www.hertfordenergynow.org.uk](http://www.hertfordenergynow.org.uk)

I wish to become a member of Hertford Energy Now, in accordance with the Rules.

I would like to apply for shares to the value of:

£250  £500  £750  £1,000  Other £

### Applicant details:

Title:

First name  Surname

Address

Telephone

Email

I am at least 16 years old. I agree to be bound by the Terms and Conditions included in the attached Share Offer and the Rules of Hertford Energy Now. I understand that the Board of Hertford Energy Now may reject my application and does not have to tell me why it has been rejected. Email will be the main means of communication between the Directors and the members. HEN cannot accept applications without a valid email address.

If you intend to claim tax relief under the Enterprise Investment Scheme, please tick here

### Date Protection & Money Laundering

The data provided by you on this form will be stored in a computerised database and used only for Hertford Energy Now and will not be disclosed to any third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations 2003, HEN may at its absolute discretion require verification of identity from any person seeking to invest.

Signature

Date

Please send this application, along with your cheque, payable to  
"Hertfordshire Energy Now Ltd" to our registered offices:

The Secretary, HEN, 10A North Road, Hertford, Herts, SG14 1LS



## 8 Application Form for Organisations

Important: before completing this Application Form you must:

- Read the accompanying Share Offer Document, paying special attention to the Risks set out on page 13.
- Decide if you need to take financial or other advice in relation to the Terms and Conditions of the Share Offer.
- Read the Rules of Hertford Energy Now available on the website: [www.hertfordenergynow.org.uk](http://www.hertfordenergynow.org.uk).

I wish to become a member of Hertford Energy Now, in accordance with the Rules.

I would like to apply for shares to the value of:

£250     £500     £750     £1,000     Other £

Organisation name

Type of organisation

Address

Registration Number

Telephone

Email

Signature

Authorised signatory name

Authorised signatory position

Date

I am at least 16 years old. I agree to be bound by the Terms and Conditions included in the attached Share Offer and the Rules of Hertford Energy Now. I understand that the Board of Hertford Energy Now may reject my application and does not have to tell me why it has been rejected. Email will be the main means of communication between the Directors and the members. HEN cannot accept applications without a valid e-mail address

### Date Protection & Money Laundering

The data provided by you on this form will be stored in a computerised database and used only for Hertford Energy Now and will not be disclosed to any third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations 2003, HEN may at its absolute discretion require verification of identity from any person seeking to invest.

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