



ABERDEEN COMMUNITY ENERGY DONSIDE HYDRO SHARE OFFER

OFFER LAUNCH: 09 AUG '16
OFFER CLOSE: 15 SEP '16
OUR TARGET: £500,000
INVEST MIN: £100
INVEST MAX: £100,000

7%
IRR

ABERDEEN'S FIRST COMMUNITY DRIVEN RENEWABLE
ENERGY INITIATIVE, SUPPORTING THE CREATION OF ABERDEEN'S FIRST
SUSTAINABLE COMMUNITY.



A WORD FROM OUR DIRECTORS

August 2016

We are Aberdeen Community Energy (ACE); Aberdeen's first community energy company. We are building Scotland's first urban community hydro scheme with the UK's biggest Archimedes' screw; the Donside Hydro in Donside Village, Aberdeen. You are hereby invited to invest in our innovative renewable energy scheme.

Our mission is to help Donside Community Association deliver on the ethos of Donside Village as a sustainable mixed community, that truly works for its residents, visitors and natural riverside setting. At the same time as delivering Aberdeen, Scottish, UK and European policy and actions addressing energy, climate, diverse economies and sustainable communities.

In this document you can read all about our exciting community share offer and lots of interesting (and some not so interesting) information about the project, the finances, the community behind it and the benefits that will come out of it for everyone.

We encourage you to read through and consider investing in this innovative scheme, a first on so many levels.

Together, we can build a better future.
Thank you

Sinclair

Jane

Davie

A detailed landscape architectural plan of a hydro project site. The plan shows a central water body (likely a dam or reservoir) with various surrounding areas including landscaped paths, tree plantings, and infrastructure. Contour lines are visible, indicating elevation changes. The plan is oriented vertically on the page.

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1. SUMMARY

THIS IS A SUMMARY OF THE OFFER TO ACQUIRE SHARES IN ABERDEEN COMMUNITY ENERGY'S (ACE) DONSIDER HYDRO SCHEME.

INTRODUCTION

ACE and the Donside Hydro scheme is Aberdeen's first community driven renewable energy initiative, supporting the creation of Aberdeen's first sustainable community – Donside Village. The scheme is projected to generate 520,000kWh of clean, renewable energy to help meet our nation's energy needs, mitigate climate change and provide a community fund to help transform the area we call home.

Completion of the development stage has been funded by grants and loans from the Scottish Government's Community and Renewable Energy Scheme (CARES).

The site has planning permission, the necessary SEPA water licences and is locked into a guaranteed higher rate Feed in Tariff energy subsidy until 29th September 2016, after which it will reduce to a lower tariff.

The project will be financed by loans, bonds and as share capital raised, from this community share offer. To maximise the local benefit, we will raise as much as possible from community shares.

OUR OFFER

The total cost of the hydro is £1,250,000. This Offer seeks to raise £500,000 by the issue of Shares at £1.

Share interest will be paid at a projected annualised rate of 7%. At this projected rate Members can expect to more than double their investment over the duration of the scheme.

Share applications will be on a first come first served basis.

Bonds will be offered after commissioning. Bonds will attract a lower interest rate than shares.

YOUR PERSONAL SAVINGS ALLOWANCE

Interest on these shares can be included in your Personal Savings Allowance and may be wholly or partly tax-free, depending on your circumstances.

OUR LAUNCH & CLOSURE DATES

OUR OFFER OPENS
09 AUGUST 2016

OUR DEADLINE FOR APPLICATION IS
15 SEPTEMBER 2016 OR EARLIER
IF THE TARGET IS MET.

THE EARLIER YOU INVEST, THE BIGGER OUR COMMUNITY FUND
WILL BE. SO, WE ENCOURAGE YOU TO INVEST EARLY AND HELP
US SECURE THE BEST OUTCOME FOR THE COMMUNITY!

OUR COMMUNITY FUND

SURPLUS PROFITS WILL FORM A COMMUNITY FUND - PROJECTED TO BE UP TO £450,000 OVER 20 YEARS. THIS WILL BE DIVERTED TO LOCAL CHARITIES, SUCH AS THE DONSIDE COMMUNITY ASSOCIATION, TO ALLOCATE TO ACTIVITIES TO MAKE THEIR COMMUNITIES MORE SUSTAINABLE.

OUR DISCLAIMER

We comply with statutory requirements and those of the Financial Conduct Authority. As the shares will not be listed, we are not required to comply with The Combined Code on Corporate Governance.

If you are interested in investing should do so only after reading this document in full and taking appropriate financial and other advice. This share offer is not covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme. This summary should be read as an introduction only and any decision to invest made on the basis of the document as a whole. Nothing in this document constitutes investment, tax, legal or other advice.

MAXIMUM & MINIMUM SHAREHOLDING

YOU SHOULD REGARD THESE
SHARES AS A LONG-TERM INVESTMENT.

YOU MAY BUY A MINIMUM OF **100** SHARES
AND A MAXIMUM OF

100,000 SHARES
AT THEIR **£1.00** PAR VALUE.

2. WHY INVEST IN OUR HYDRO AND COMMUNITY

TO CREATE CLEAN, RENEWABLE, LOCAL ENERGY



The Donside Hydro is projected to generate 520,000 kWh of clean, green, local electricity each year. This is enough to power around **130 homes** and displace **240 tonnes** of climate destroying CO2 emissions from fossil fuel energy generation.

This supports Donside Village's ambitions to become a sustainable community, Aberdeen's ambitions towards economic and energy diversification and protecting our local and global environment. It also supports Scottish, UK and EU policy on climate, energy and sustainable communities.

TO DELIVER LOCAL ENVIRONMENTAL BENEFITS



In addition to reducing impact on the climate, this scheme offers a range of landscape improvements to the Donside riverfront. The scheme itself will see development of a parcel of vacant and derelict former industrial land. Flood risk will be reduced by offering additional flood capacity. Planting will take place offering improved landscape for wildlife.

The community fund generated will also be directed in part towards projects that will further improve the landscape value of the Donside riverfront beyond the scheme. Significant tree and shrub planting has been designed to create valuable spaces for people and wildlife.

We anticipate that the community fund will contribute around £340,000 back into the community during the first 20 years.

THE PURCHASE OF SHARES SHOULD BE SEEN AS A SOCIAL AND ENVIRONMENTAL INVESTMENT TO SUPPORT THE AIMS OF ACE AND NOT PURELY AS AN INVESTMENT FOR PERSONAL GAIN OR PROFIT.

THE COMMUNITY FUND GENERATED WILL ALSO BE DIRECTED IN PART TOWARDS PROJECTS THAT WILL FURTHER IMPROVE THE LANDSCAPE VALUE OF THE DONSIDE RIVERFRONT BEYOND THE SCHEME. SIGNIFICANT TREE AND SHRUB PLANTING HAS BEEN DESIGNED TO CREATE VALUABLE SPACES FOR PEOPLE AND WILDLIFE.

TO DELIVER NEEDED SOCIAL BENEFITS



Donside Village is located in the wider community of Tillydrone. While being a strong, passionate and capable community, it is also one of the most deprived in Scotland. Delivering community benefit is therefore central to this scheme. Development of the site, including public access to and around it will improve the community landscape by presenting a new space for people to enjoy for health and recreation. The community fund will be used to improve the landscape beyond the scheme, delivering for all ages and backgrounds to enjoy sport, food growing, social activities, and so on. We anticipate that the community fund will contribute up to £450,000 back into the community during the first 20 years of the hydro's operation.

The educational value of the scheme will be realised through public and school age education programmes on renewable energy technologies, and other STEM subjects.

TO OFFER YOU A HEALTHY FINANCIAL RETURN



Investing with us presents everyone with the opportunity to secure our vision of a greener, cleaner, healthier future while enabling you to receive a fair return on your money, likely more than you would get from a high street bank.

The offer presents a real investment opportunity to support the local economies and you.



ABERDEEN'S ECONOMY IS HEAVILY DEPENDENT ON THE OIL AND GAS INDUSTRY. WE'RE TRYING TO DO OUR SMALL PART TO CONTRIBUTE TO A SUSTAINABLE ENERGY MIX.



3. SOME BACKGROUND

ABOUT ABERDEEN

Aberdeen is located in North East Scotland and is Scotland's third largest city. It's also known as the Silver City because of its stunning granite architecture.

Aberdeen's economy is heavily dependent on the oil and gas industry. We're trying to do our small part to contribute to a sustainable energy mix.

ABOUT OUR VILLAGE

Donside Village is enviably located on the banks of the River Don around 4km from the centre of Aberdeen. It is located on a historical mill site, the last of which ceased operating in 2001.

The site is being re-developed into a sustainable mixed community by Sanctuary Housing, a Registered Social Landlord.

ABOUT COMMUNITY AND RENEWABLE ENERGY

Our scheme aligns with the Scottish Government's commitment to make Scotland a Hydro Nation. It supports the Government's ambition of increased local and community renewable energy - 500MW by 2020, as well as supporting delivery of its target to generate 100% of Scotland's electricity from renewables by 2020.



OUR SCHEME IS SUPPORTING GOVERNMENT AMBITION TO SEE INCREASED COMMUNITY OWNERSHIP OF RENEWABLE ENERGY - 500MW TO BE LOCALLY OR COMMUNITY OWNED BY 2020



HELPING TOWARDS THE TARGET TO GENERATE THE EQUIVALENT OF 100% OF SCOTLAND'S ELECTRICITY FROM RENEWABLE RESOURCES BY 2020.

4. OUR HYDRO PROJECT

OUR SITE

The scheme will harness the nearby urban resource – The River Don.

Our site is low value amenity land in an active floodplain. It is at a bend in the lower reaches of the River Don, at the edge of Donside Village – which formerly housed a series of industrial mills.

The weir has not been used for many years and the area around it has been secured by the community for the generation of renewable energy. This opportunity has been initiated and driven by Donside Community Association.

The scheme makes use of the river dropping about 2.5m in height over 400m around a bend. Our scheme will be fed by a new channel cut across the bend.

Our hydro scheme will be fed by a new lade, cut across the bend making use of the full extent of the natural fall.

The riverside around the scheme and village is being improved by the community for recreational use and wildlife value.

FEASIBILITY STUDY

A feasibility report by MannPower Consulting in August 2015 concluded that the site is suitable for a 100kW Archimedes screw turbine and generator, providing around 520,451kWh of energy a year. This takes account of river flow data obtained from SEPA and from six months on site monitoring, as well as constraints imposed by the abstraction licence.

OUR DESIGN & TECHNOLOGY

Our scheme comprises a 200m channel cut into the bend of the river, feeding water to an Archimedes screw turbine 4.3m in diameter (the biggest in the UK), together with a gearbox, generator and inverter that will generate electricity for export to the national grid. The gearbox and generator will be housed in a flood resistant powerhouse.

The Archimedes screw is a very old technology, developed in ancient Greece for pumping water and more recently used in reverse to generate electricity. The Archimedes screw is a reliable and simple design.

Over the past 10 years, many Archimedes screw schemes have been commissioned in the UK, including community schemes at New Mills in Derbyshire, Settle in Yorkshire and elsewhere – with other schemes under development.

100kW ARCHIMEDES SCREW
TURBINE & GENERATOR

PROVIDING AROUND

520,451kW
OF ENERGY A YEAR.



PHOTO: SINCLAIR LAING

OUR PERMITS


All permits required have been obtained, these include:

Planning permission

SEPA water abstraction licence

Grid connection

Renewable energy subsidies (FiTs)



OUR SCHEME OFFERS A HIGH QUALITY LOCAL FACILITY OF REGIONAL INTEREST, PART OF WHICH DIVERTS TO AN 'ISLAND' PROVIDING RECREATIONAL AND WILDLIFE VALUE.

ENERGY SUBSIDIES - FEED IN TARIFF

Our scheme is locked-in to a Feed in Tariff of 20.28p/kWh for each kWh generated – assuming successful commissioning by the end of September 2016. This tariff is guaranteed for 20 years and is indexed by RPI.

If the scheme commissions after that, it would receive in the region of 7.6p/kWh.

We will also receive an export tariff, currently 4.91p/kWh, for the electricity sold to the grid, or we could sell it to an electricity supplier. Present wholesale prices are lower than the export tariff, so we will start with that and keep the option of switching to a different supplier in the future.

OUR CONTRACT WITH OUR INSTALLER

We have a contract agreed with our principal contractor which enabled construction to begin in June this year. This agreement is described in detail in Our Financial & Legal Arrangements section.

OUR LAND RIGHTS

Under the agreement with our principal contractor, the previous landowner sold the hydro site to them. This includes land that is not required for the scheme. The agreement includes this land being sold back to the community for their use once the hydro scheme is complete in October this year.

YOUR ACCESS & SAFETY

Our site bounds our Village, our community centre and a new long-distance riverside path, part of which diverts over the hydro to an 'island' providing recreational and wildlife value.

Our scheme offers a high quality local facility of regional interest. Our site will be constructed so the public can view the turbine safely. The turbine is slow moving (20 – 30 rpm) and will have screening to prevent access to any moving parts.



PHOTO: ANDY COVENTRY

PROTECTING OUR WILDLIFE

We all benefit from a river abundant with wildlife. We plan to protect and encourage that.

Archimedes screws are slow (20 – 30 rpm) and low impact. Fish can travel down through our system with little or no harm ([see www.fishtek.co.uk/hydropowerresearch.html](http://www.fishtek.co.uk/hydropowerresearch.html)). Our scheme is not located in or obstructing the main river. Combined with the slow speed of the water exiting our system means fish will not be distracted from upstream migration. We have included a screen to protect otters from entering the system.

OPERATING OUR SCHEME

The main points specific to our scheme are:

- Our turbine will divert a maximum of 10 cubic metres of water a second from the river.
- Our SEPA licence imposes 6.76 cubic metres a second “hands off flow”, meaning our turbine is not permitted to operate unless the river water exceeds this. This is to protect wildlife and the value of flowing water over the weir.
- Our electricity yield depends on the annual water flow. Flow data was collected from the local Parkhill gauging station as well as from six months of on-site monitoring.
- We commissioned a Flood Risk Assessment which demonstrated the development will be beneficial for flood events upstream and downstream as it creates flood capacity.
- We also commissioned a Noise Assessment and noise mitigation is included in the design.
- The energy capture estimated by Mann Power Consulting would be about 520,451 kWh per year. This represents a capacity factor of about 60%, allowing for low water in summer where, at times, the scheme may not operate.

SELLING OUR ELECTRICITY

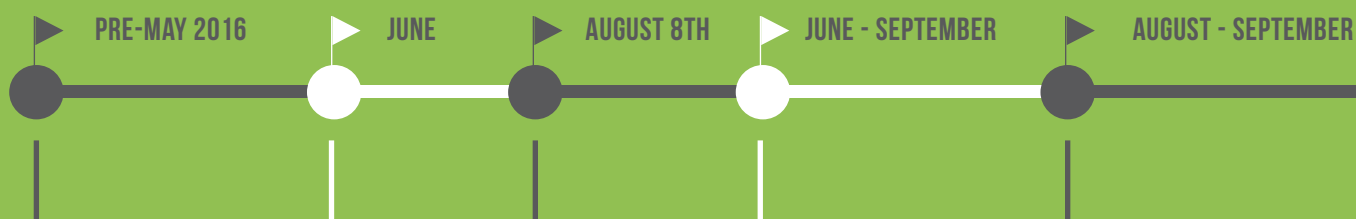
Our electricity will be exported to the national grid. We have a choice of taking the Ofgem generation tariff or selling to the market, through a Power Purchase Agreement (PPA) with a supplier.

We will always select the best value option. Right now this is the Ofgem tariff. FIT regulations permit us to switch to a PPA if this proves worthwhile in the future.

Once our scheme is operational we will investigate if our energy can be sold direct to a local consumer via a dedicated line or other arrangement. If this can be achieved, it might involve extra capital cost but would result in greater income and hence could increase profit. This would benefit the community fund and the Members.

5. OUR TIMELINE

CONSTRUCTION IS ALREADY WELL UNDERWAY, HAVING **STARTED IN EARLY JUNE**. OUR OVERALL PROJECT TIMELINE IS SET OUT IN THE TABLE BELOW.



- **PRE - MAY 2016**

All permits, grid connection and preliminary accreditation confirmed, contractors appointed, land secured and bridging finance arranged.

- **JUNE**

Construction commences.

- **AUGUST 9TH**

Share offer launched

- **JUNE - SEPTEMBER**

Construction of civil engineering work continues.

- **AUGUST - SEPTEMBER**

Installation and commissioning of mechanical and electrical engineering works.

- **SEPTEMBER**

Bond issue launched.

- **15TH SEPTEMBER**

Share offer closes

- **OCTOBER**

Landscaping and snagging.
Scheme complete.

- **MARCH 2017**

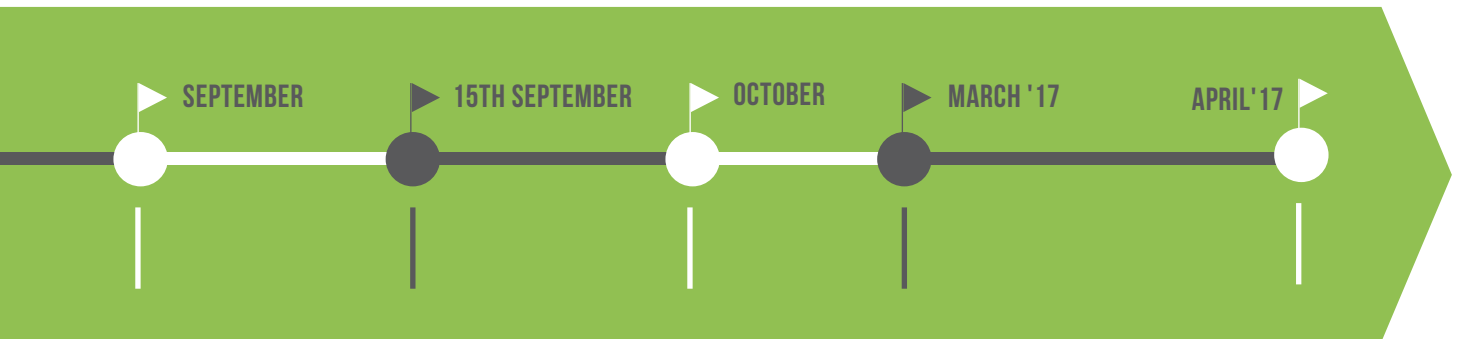
Bond issue closes.

- **APRIL 2017**

First annual general meeting.

THE SCHEME MAKES USE OF THE RIVER DROPPING ABOUT 2.5M IN HEIGHT OVER 400M AROUND A BEND. OUR SCHEME WILL BE FED BY A NEW CHANNEL CUT ACROSS THE BEND.

OUR HYDRO SCHEME WILL BE FED BY A NEW LADE, CUT ACROSS THE BEND MAKING USE OF THE FULL EXTENT OF THE NATURAL FALL.



6. OUR TEAM AND ORGANISATION

ABERDEEN COMMUNITY ENERGY (ACE)

We were established by Donside Village residents to build, own and operate the Donside Hydro for the benefit of the community.

We are a Registered Community Benefit Society governed by Rules approved and incorporated with the UK Financial Conduct Authority (FCA) (number 7251), on 30th November 2015. We are based in Scotland, with our registered office being 44 Papermill Avenue, Aberdeen, AB24 2PB.

We are owned by our Members who have one vote in a Members' meeting, regardless of the number of shares they hold. Members are protected by limited liability and are only obliged to contribute the initial cost of their shares.

More about us and the Donside Hydro can be found on our website at: ACENERGY.ORG.UK

We have a Board of Directors that are elected each year by our Members at an Annual General Meeting (AGM).

OUR PRACTICES

We serve in accordance with our Rules. Our day-to-day business is managed by our Members, under our supervision. We will bear ultimate responsibility to our Members.

We comply with the laws that govern us and the regulation of the FCA. As our Shares will not be listed, we are not obliged to comply with The Combined Code on Corporate Governance.

WE STRIVE TO PROMOTE THE COOPERATIVE VALUES AND PRINCIPLES OF:

- **SELF-HELP AND RESPONSIBILITY**
- **DEMOCRACY AND EQUALITY**
- **HONESTY AND OPENNESS**
- **SOCIAL RESPONSIBILITY**
- **AUTONOMY AND INDEPENDENCE**
- **CONCERN FOR COMMUNITY**
- **MEMBER ECONOMIC PARTICIPATION**
- **OPPORTUNITIES FOR EDUCATION**

OUR CURRENT DIRECTORS:

SINCLAIR LAING, FOUNDER AND CHAIR

Sinclair is a passionate professional environmentalist who believes in the power of civil society to deliver common good. Graduating in Environmental Sciences from Aberdeen University, Sinclair has ten years' experience managing sustainability strategy, projects and teams multi-nationally.

Sinclair dedicates his spare time to supporting communities, including Donside, to develop and deliver their ambitions.



JANE FULLERTON, SECRETARY

Jane is also Chair of the Donside Community Association. She is passionate about helping people to aspire and achieve their goals. Jane has degrees in Art and Teaching and has applied these to her career working with the disadvantaged and vulnerable.

ACE and the Village setting encouraged Jane to Donside and take a role within the community.



DAVID MORRISON, FINANCE

David is a Principal Engineer and Project Manager. With a Degree in Mechanical Engineering he returned to Aberdeen to pursue a career in energy. He has worked leading multi-national and cross-disciplined teams.

David has been involved in a number of community projects and joined ACE to give something back.



WE COMMISSION AND WORK IN PARTNERSHIP WITH A RANGE OF ORGANISATIONS OFFERING TECHNICAL AND PROFESSIONAL SERVICES, INCLUDING PROFESSIONAL ADMINISTRATION SERVICES TO KEEP OUR ACCOUNTS. WE COMMISSION AND WORK IN PARTNERSHIP WITH A RANGE OF ORGANISATIONS OFFERING TECHNICAL AND PROFESSIONAL SERVICES, INCLUDING PROFESSIONAL ADMINISTRATION SERVICES TO KEEP OUR ACCOUNTS.

FINANCIAL INTERESTS

WE, THE BOARD, ARE INTENDING TO TAKE UP SHARES TO THE VALUE OF £30,000 IN THIS SHARE OFFER. OUR SHARES WILL BE MANAGED IN THE SAME WAY AS EVERY OTHER MEMBER.

OUR ROLE AS DIRECTORS IS VOLUNTARY AND WE TAKE NO PAY, OTHER THAN EXPENSES.

7. OUR PARTNERS

1

DONSIDER COMMUNITY ASSOCIATION

Donside Community Association (DCA) is a voluntary Association set up in 2013 and run by the residents of Donside Village. It acts to improve quality of life, community and place by setting goals, accessing funds and organising projects, events and activities.

The DCA re-ignited the Donside Hydro project, accessing loans and taking it through feasibility and permitting stages. It established ACE as a separate legal entity to construct and operate the hydro.

The DCA is an Unincorporated Association in the process of registering as a Charity (SCIO). This will provide a stronger governance structure as well as being more tax efficient.

More about the DCA, including its Committee, Constitution and Community Investment Plan – the strategy for how it will define & deliver local priorities and projects - can be found on the website: donsidevillage.community

2

SANCTUARY HOUSING

Our Village (Donside) was conceived and constructed on the former papermill site by Tenants First, now part of Sanctuary Housing. With around 100,000 homes in the UK, Sanctuary is one of the UK's biggest social landlords.

3

LOCAL ENERGY SCOTLAND

We are being supported by Local Energy Scotland (LES) - a consortium which administers and manages the Scottish Government's Community and Renewable Energy Scheme (CARES).

4

SHAREENERGY

Shareenergy is a social enterprise that exists to help local communities like ours successfully set up, raise capital through community shares, and run local community renewable energy schemes.



5

MANN POWER CONSULTING LIMITED

Mann Power Consulting is the UK's leading supplier of Archimedean Screw hydropower turbines. They have commissioned more than 40 hydropower systems across the UK.

6

HIGHLAND ECO DESIGN

Highland Eco-Design Ltd is a micro-hydro installer based throughout Scotland. Since incorporation they have commissioned over 1.1MW of capacity across 28 installations. Highland Eco Design are the selected principal contractor for the project.

7

OTHER ORGANISATIONS

We are also receiving advice from the following organisations:

- **HBJ GATELEY PLC** (LEGAL ADVICE)
- **BURNESS PAULL LLP** (GOVERNANCE ADVICE)
- **DEP LANDSCAPE INITIATIVES** (LANDSCAPE DESIGN)
- **WEBER SHANDWICK** (MARKETING & COMMUNICATIONS)

8. OUR FINANCIAL PROJECTIONS

THE TOTAL COST FOR THE 100KW ARCHIMEDES SCREW, ON WORK ALREADY COMPLETE AND ON A FIXED PRICE CONSTRUCTION CONTRACT IS £1,250,000. WE WILL BE LIABLE FOR ALL OPERATING COSTS AND WILL BENEFIT FROM THE SALE OF ELECTRICITY AND RENEWABLE ENERGY SUBSIDIES.

OUR FINANCIAL PROJECTIONS ARE SUMMARISED IN THIS SECTION. WE TAKE RESPONSIBILITY FOR THE REASONABLENESS OF THE PROJECTIONS IN THIS OFFER. RETURNS TO OUR MEMBERS ARE CALCULATED ACCORDING TO DETAILED INCOME AND EXPENDITURE PROJECTIONS FOR THE LIFE OF THE DONSDIE HYDRO.

OUR PROJECTIONS ASSUME A PAYBACK OF 20 YEARS AND THAT THE SHARES ARE FULLY REPAID BY THEN. BEYOND 20 YEARS, THE SCHEME WILL CONTINUE TO OPERATE, ALTHOUGH INCOME WILL BE LOWER BECAUSE THE FIT TARIFF WILL NO LONGER BE RECEIVED. WE EXPECT ALL SURPLUS AFTER THIS TO BE DIRECTED TO THE COMMUNITY.

OUR SCHEME IS LOCKED-IN TO A FEED IN TARIFF OF 20.28P/KWH FOR EACH KWH GENERATED – ASSUMING SUCCESSFUL COMMISSIONING BY OCTOBER 2016. THIS TARIFF IS GUARANTEED FOR 20 YEARS AND IS INDEXED BY RPI.

INCOME & EXPENDITURE PROJECTIONS

The table below illustrates our anticipated profit/loss and cash flow projections over 20 years for our main scenario in which the construction timeline is met and the share offer raises the target £500,000. The outcomes of other scenarios are listed in the Sensitivity Analysis section.

FINANCIAL YEARS	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	6 TO 10	11 TO 20	1 TO 20
FIT INCOME		£107,658	£109,812	£112,008	£114,248	£116,533	£618,571	£1,436,987	£2,615,816
ELECTRICITY SALES INCOME		£25,606	£26,246	£26,903	£27,575	£28,264	£152,281	£367,225	£654,101
INCOME		£133,265	£136,058	£138,910	£141,823	£144,797	£770,852	£1,804,212	£3,269,918
DEPRECIATION OVER 20 YEARS		£62,000	£62,000	£62,000	£62,000	£62,000	£310,000	£620,000	£1,240,000
OPERATING AND ADMIN COSTS		£20,504	£20,814	£21,130	£21,453	£21,782	£114,081	£256,942	£476,706
BRIDGING LOAN INTEREST		£16,250							£16,250
REFINANCING INTEREST		£37,000	£35,285	£33,485	£31,595	£29,610	£114,621	£47,804	£329,399
EXPENDITURE		£135,754	£118,099	£116,615	£115,047	£113,392	£538,702	£924,746	£2,062,356
SURPLUS		-£2,489	£17,959	£22,295	£26,776	£31,406	£232,150	£879,466	£1,207,562
BANK OPENING BALANCE		£400,000	£25,217	£30,000	£30,000	£30,000			
CAPITAL EXPENDITURE	-£1,250,000								
CARES GRANT	£10,000								
BRIDGING LOAN CAPITAL	£400,00	-£400,000							
REFINANCING CAPITAL	£740,000	-£34,293	-£36,008	-£37,808	-£39,699	-£41,684	-£241,845	-£308,663	-£740,000
INCOME		£133,265	£136,058	£138,910	£141,823	£144,797	£770,852	£1,804,212	£3,269,918
EXPENDITURE (MINUS DEPRECIATION)		-£73,754	-£56,099	-£54,615	-£53,047	-£51,392	-£228,702	-£304,746	-£822,356
BANK INTEREST			£1,063	£197	£210	£206	£949	£2,089	£4,715
COMMUNITY FUND			-£6,125	-£8,334	-£9,999	-£11,712	-£86,365	-£326,624	-£449,159
INTEREST TO MEMBERS			-£10,407	-£14,159	-£16,987	-£19,899	-£146,734	-£554,932	-£763,118
SHARE CAPITAL (RECEIPT & REPAYMENT)	£500,00		-£23,699	-£24,192	-£22,301	-£20,316		-£341,337	-£500,000
BANK CLOSING BALANCE	£500,000	£25,217	£30,000	£30,000	£30,000	£30,000			
MEMBER RETURN		7% IRR							

OUR PROJECTIONS SHOW:

REPAYMENT OF MEMBER CAPITAL WOULD BEGIN IN YEAR TWO
WOULD BE REPAID BY YEAR 20.

OUR COMMUNITY FUND WILL
BE £450,000 OVER 20 YEARS.

MEMBER PAYMENT PROFILE

OUR PROFIT SHOULD INCREASE STEADILY OVER TIME AS THE FIT TARIFF (PART OF OUR INCOME) IS INDEX LINKED. THIS MEANS ANNUAL INTEREST PAYMENTS TO MEMBERS WILL RISE STEADILY OVER 20 YEARS, STARTING BELOW THE PREDICTED **7% IRR** AND ENDING WELL ABOVE IT. IRR (INTERNAL RATE OF RETURN) IS A STANDARD WAY OF AGGREGATING THIS VARYING INTEREST OVER TIME INTO A SINGLE REPRESENTATIVE FIGURE.

**INTEREST ON THESE SHARES
CAN BE INCLUDED IN YOUR
PERSONAL SAVINGS ALLOWANCE
AND MAY BE WHOLLY OR PARTLY
TAX-FREE, DEPENDING ON YOUR
CIRCUMSTANCES.**

**A PROJECTED PAYMENT PROFILE BASED ON OUR MAIN
SCENARIO WITH **£1,000 MEMBER INVESTMENT** IS:**

FINANCIAL YEAR	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	206/27	
SHARE CAPITAL	-£1000	£0	£47	£48	£45	£41	£36	£32	£27	£23	£18	
MEMBER INTEREST		£0	£21	£28	£34	£40	£46	£52	£59	£65	£72	
MEMBER CASHFLOW	-£1000	£0	£68	£77	£79	£80	£82	£86	£86	£88	£90	
MEMBER IRR = 7%		2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	TOTAL
		£12	£7	£1	£0	£0	£107	£124	£124	£124	£184	£1,000
		£79	£86	£94	£102	£110	£119	£123	£128	£132	£137	£1,526
		£91	£93	£95	£102	£110	£226	£247	£252	£256	£321	£2,526

**WE WILL PAY INTEREST AND CAPITAL ONCE
OUR ANNUAL ACCOUNTS ARE FINALISED AND
APPROVED AFTER OUR FINANCIAL YEAR END.
SO, IF WE MAKE A PROFIT IN THE FINANCIAL
YEAR 2017/18, THE INTEREST AND CAPITAL
REPAYMENT WOULD ONLY BE RECEIVED BY THE
MEMBER PART-WAY THROUGH 2018. THIS DELAY
HAS BEEN INCORPORATED IN THE PROFILES ABOVE
AND IN THE CALCULATIONS OF IRR.**

OUR ASSUMPTIONS

OUR PROJECTIONS ARE BASED ON THE FOLLOWING PRINCIPAL ASSUMPTIONS:

- Our scheme commissions on time and obtains the FIT tariff locked in at preliminary accreditation. Our Sensitivity Analysis section explores the scenario if this is not achieved.
- Our annual production is in line with calculations, averaging 520,000 kWh per year. If production falls below this, our revenues will be less. Technical faults will be covered by warranties and we will ensure insurance is in place.
- Global energy markets, UK electricity industry, UK government policy, and the desirability for renewable electricity, will be consistent and favourable to our hydro over 20 years, resulting in continued electricity demand.
- Prices for electricity and services will be reasonably similar to currently prices through the life of our hydro (accounting for inflation).
- Our operation and maintenance costs will be incurred from the start. Maintenance costs will rise as equipment ages. Our operation and maintenance costs will not rise faster than our income.
- We know that occasional debris clearance from the screen will be needed. This will be done by volunteers.
- Our build cost is based on a fixed-price turnkey contract.
- Our Projections are based on data gathered and calculated by MannPower Consulting, including abstraction data agreed with SEPA.
- RPI inflation of 2.0% is assumed on all costs and services. Grid electricity inflation is set at 2.5% per annum over 20 years.
- Our income is based on the Feed in Tariff and on electricity exported at the set rate. The Feed in Tariff is guaranteed for 20 years.
- Depreciation of equipment is straight-line over 20 years and creates the fund to pay back Members' capital. We will return capital each year as our cashflow allows, subject to us maintaining a contingency reserve.
- We consider the scheme will not be liable for business rates in line with Scottish government policy for community schemes.
- We will not pay Corporation Tax as our profits are allocated to depreciation, distributed to our Members and as a community fund.
- Our insurance costs are £5,000/year, based on the best quote provided.
- Our administration costs are £5,500/year. These costs have been offered by Sharenergy who administer similar Societies. We will produce annual accounts and, as a small business, will apply for exemption from audit.
- Our bank interest is modelled at 0.5%.
- Our monthly expenditure is small and will be covered by sales and FIT income. We will be cash positive every year.



7%
RETURN ON INVESTMENT

OUR DISTRIBUTION OF PROFIT

1

Our surplus profit will be shared between community shareholders and a community fund. We have set Member share interest at a rate we consider right to attract sufficient investment.

2

Once the scheme is operational and exact costs known, we will prepare more accurate projections and the profit split between shareholders and community fund agreed by the end of the first year. It will remain in place for 20 years. If the generator performs better than our projections, both Members and the community will benefit, and vice versa.

3

If the construction timeline is met, the profit split will be set so that projected IRR for members will be 7% over 20 years. All shareholder returns are dependent on the scheme producing sufficient surplus to meet these target levels.

4

If this timeline is not achieved, a lower FIT will be received and mean there would be no community fund. Under the agreement with the installer, they will return capital our plus at least 2% interest which should allow us to return Member capital with at least 2% interest.

5

More detail on the arrangement for disbursement of the community fund and the work of the DCA will be available on their website donsidevillage.community. The plan is being drafted through engagement with the local community.

9. SENSITIVITY ANALYSIS

IN THIS SECTION WE EXPLORE DIFFERENT SCENARIOS, BASED AROUND OUR AGREEMENT WITH OUR INSTALLER AND NOT MEETING OUR CONSTRUCTION TIMELINE.

	MEET TIMELINE	CONTRACT PAYMENTS ON TIME	SHARES CAPITAL RECEIVED
SCENARIO 1	✓	✓	£500,000
SCENARIO 2	✓	X	£300,000
SCENARIO 3	X	X	£300,000

WE HAVE RUN THESE SCENARIOS THROUGH A FINANCIAL MODEL. THE RESULTS BELOW SHOW THE PROJECTED RETURNS:

	20 YEAR COMMUNITY FUND	SHAREHOLDER INTEREST (IRR)	SHAREHOLDER CAPITAL RETURN
SCENARIO 1	£450,000	7%	ALL CAPITAL RETURNED
SCENARIO 2	£190,000	7%	ALL CAPITAL RETURNED
SCENARIO 3	£0	2%	ALL CAPITAL RETURNED

WE WILL EXPLORE OPPORTUNITIES FOR INCREASING OUR INCOME IN THE FUTURE, INCLUDING SELLING ELECTRICITY DIRECT. THIS COULD FURTHER IMPROVE YOUR RETURN AND THE COMMUNITY FUND.



REPAYMENT OF MEMBER CAPITAL WOULD BEGIN IN YEAR TWO WOULD BE REPAID BY YEAR 20.

ANNUAL INTEREST PAYMENTS TO MEMBERS WILL RISE STEADILY
OVER 20 YEARS, STARTING BELOW THE PREDICTED 7% IRR AND
ENDING WELL ABOVE IT.

10. OUR FINANCE & LEGAL ARRANGEMENTS

IN THIS SECTION WE OUTLINE HOW WE ARE MANAGING THE CAPITAL REQUIRED TO CONSTRUCT OUR SCHEME, INCLUDING OUR AGREEMENT WITH OUR PRINCIPAL CONTRACTOR.

CARES FUNDING

The Scottish Government recognises the value of community and renewable energy. They provide early financial support for projects through their Community And Renewable Energy Scheme (CARES). The loans are repayable once other finance can be accessed.

We received a £10,000 grant and £150,000 loan from CARES for the development phase. We have negotiated a further £100,000 to bridge fund some of the construction costs.

COMMUNITY SHARES

As a Registered Society, we are allowed to raise capital through sale of withdrawable shares under the Cooperative and Community benefit Act 2014. Our intention is to raise £500,000 through the offer described in this document.

Those who buy shares will be our Members. They will, depending on performance, receive interest and repayment of their full investment over 20 years. Withdrawable shares cannot be traded and cannot increase in value. The value that shareholders receive is their interest.

BRIDGING LOANS

We are putting in place lower interest bridging loans to cover payments from scheme commissioning onwards. This will help secure us a larger share of the income from the scheme. These loans will be refinanced as bonds (see below) or converted into long term loans.

BONDS

Following the Share Offer and successful commissioning of the hydro, we will launch a Bond Offer to refinance the remaining capital. As the Bonds will be very low risk, they will return much lower interest than shares (around 4%).

If we don't raise enough through bonds, we will refinance through commercial loans. As the interest rate is likely to be higher, this will result in a smaller community fund.

Those buying bonds will receive fixed interest and their capital, but won't become our Members and won't be able to vote at Members meetings (unless already a Member by buying shares).

To protect investors, we will not convert any share applications into shares until the formal binding contract, endorsed by our lawyers, has been signed.

OUR AGREEMENT IS INTENDED TO ENSURE EVERYONE SHARES AN EQUAL BALANCE OF RISK AND REWARD.

INVESTMENT & CONSTRUCTION CONTRACT

Throughout the development we've worked in very close in partnership with the installers, Highland Eco-Design (HED) and their technology partner MannPower Consulting.

We have an agreement in place with HED to construct the scheme and to provide capital where we fall short. In that situation, they will retain a share of the income.

We have arranged with them for construction to begin before we completed our share offer, in order to meet our commissioning timeline.

Our agreement, outlined below, has been negotiated with the full support of our commercial lawyers, HBJ Gateley. At the launch of the share offer, the final contract has yet to be signed, but the terms are firmly agreed. To protect investors, we will not convert any share applications into shares until the formal binding contract, endorsed by our lawyers, has been signed between us.

The arrangement is as follows:

1. HED has set up a subsidiary company dedicated to building our hydro. This subsidiary is called Donside Hydro Power Company Ltd (DHPCL).
2. Sanctuary 2. Housing has sold the land required to DHPCL enabling them to start construction.
3. We have agreed a fixed price construction contract with DHPCL for the construction, equipment and commissioning required.
4. Our contract includes a series of stage payments. Whatever proportion of these we meet secures us an equivalent proportion of the income. DHPCL will receive a proportion equivalent to any shortfall in payments they need to cover.
5. **The earlier you invest, the bigger our community fund will be. So, we encourage you to invest early and help us secure the best outcome for the community!**
6. If by the end of the scheme DHPCL has invested some capital, we have the option to buy them out later at a Net Present Value of the income they would receive.
7. We will own and operate the scheme, being responsible for maintenance and administration. We will lease the land from DHPCL on which the hydro is located.
8. £5,000 per year will be paid to DHPCL for the land rent. The remaining 95% net income will be split between ACE and DHPCL in proportion to the capital invested by each. The amount of income allocated to DHPCL will be paid as a "turnover rent".
9. In calculating the "turnover rent", net income is calculated as gross income less operating costs (including insurance, maintenance, metering and other direct costs).
10. If we do not raise £330,740 within six months of commissioning, DHPCL will own and operate the scheme and pay us the required proportion of the income.
11. In that situation, DHPCL also has the option to purchase at Net Present Value of the income we would receive.



11. COMMUNITY BENEFITS



CLEAN GREEN ENERGY

The Donside Hydro is projected to generate 520,000 kWh of local electricity each year. Enough to power around 130 homes and displace 240 tonnes of climate destroying CO2 emissions from fossil fuel energy generation.



A SUSTAINABLE COMMUNITY

Donside Hydro supports Scottish, UK and EU policy on climate, energy and sustainable communities, as well as offering a range of landscape improvements to the Donside riverfront.



PROTECTING WILDLIFE

Our scheme is not located in or obstructing the main river. Combined with the slow speed of the water exiting our system means fish will not be distracted from upstream migration.

As a Society for the benefit of the Community, our Rules limit the use of our funds to community benefit. We set ourselves up this way so our profits are protected for local communities.

We have a Deed of Covenant (legal agreement) in place that states the community fund will be channelled through local charities, including the Donside Association (DCA).

We are working closely with the DCA and the wider community to develop a Community Investment Plan which will give all stakeholders in the community an opportunity to contribute to the discussion on how this fund should be spent. Our intention is that the fund will be spent on projects that focus on the issue of sustainability, including improving the local riverside landscape for people and wildlife.

The community fund will be up to £450,000 over 20 years if we manage to raise the target £500,000 in shares by the deadline.



12. THE RISK FACTORS

Successful projects manage and mitigate risks appropriately. The following risks have been identified. The Board will manage these and any other risks throughout. You should take appropriate advice and make your own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity.

YOUR LIABILITY

ACE is a limited liability Society. Members' liability is limited to the value of their shares, nothing more.

YOUR SHARE VALUE

The value of shares can fluctuate according to the value of the underlying business. Shares can decrease in value if the business does not achieve the income projected. Shares in a Registered Society can never become worth more than their purchase value. The return that Members receive is through interest payments on their capital.

THE RISKS SPECIFIC TO THIS OFFER

- We may not raise target capital. To be prudent, we have arranged back-up capital. Using this would reduce the community fund.
- If the scheme is commissioned after 29th September, income would be lower and Member returns no less than 2%. We are confident we have mitigated this risk, which is explained more in Our Financial & Legal Arrangements section.

THE RISKS SPECIFIC TO LONG TERM OPERATION

- The scheme may not generate as much electricity as predicted. We consider the predicted load factor (59%) is realistic given the site can accommodate a larger turbine. There may be dryer years, but across several years variations should average out.
- Warranties and insurances will cover mechanical breakdown, accidental / malicious damage and public liability. Equipment failure in exceptional circumstances may increase maintenance costs and this may impact income.
- We consider ACE to be exempt of business rates which is consistent with current Scottish Government policy. Should this be discontinued, the project may be liable, which would reduce income.
- The project will receive income from two streams; the Feed in Tariff (FIT) and electricity sales. The FIT is fixed rate and index linked, representing a predictable income. The income from electricity sales can fluctuate with the wholesale price and may depend on a negotiated purchase price. Wholesale prices can't be predicted with certainty over 20 years. This risk is common to investment in electricity but demand is predicted to rise over 20 years so the risk is low risk that the price will fall significantly over the term.

13. OUR SHARE OFFER

THE PROJECT WILL
DISPLACE THE
EQUIVALENT OF
APPROXIMATELY
240
TONNES
OF CO2 EVERY YEAR

THIS OFFER IS BEING MADE SO THAT:

1

THE 100KW DONSIDE HYDRO SCHEME CAN BE CONSTRUCTED AND COMMISSIONED.

2

MEMBERS MAY BENEFIT FROM ACE OWNING THE HYDRO SCHEME.

3

MEMBERS MAY BE DRAWN FROM THE LOCAL COMMUNITY.

4

ACE AND ITS MEMBERS CAN CONTRIBUTE TO RENEWABLE ENERGY PRODUCTION AND CREATE A COMMUNITY FUND; THEREBY HELPING TO FIGHT CLIMATE CHANGE AND DELIVER SOCIAL BENEFITS ACROSS ABERDEEN.

OUR OFFER SHARES

500,000 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 Co-operative and Community Benefit Society Act 2014

Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by Shareenergy, on behalf of ACE, at The Pump House, Coton Hill, Shrewsbury, SY1 2DP, or by a suitably competent successor organisation. Each person or organisation issued with Shares becomes a Member of ACE, with membership rights defined in the Rules.

The principal rights are:

- **One vote per holding 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 profits).**
- **The right to the return of the original investment at the end of the life of the Hydro Installation (subject to available surplus assets and any new business of ACE).**
- **As a Member, eligibility for election to the Board.**

OUR INTEREST PAYMENT

The date on which entitlement to interest arises will be announced each year. It is envisaged that any interest unclaimed for a period of seven years will be cancelled for the benefit of all Members. No special procedures have been established for non-UK resident holders.

YOU RIGHTS TO SHARE IN PROFITS/SURPLUSES

All Members are entitled to share in interest declared out of annual profits, such payments to be divided equally between the total Shares in issue. This means that a Member with 10,000 shares has a single vote but will receive interest on all 10,000 shares.

YOUR RIGHTS TO WITHDRAW YOUR SHARES

Withdrawal of Shares may take place in accordance with the Rules. Members do not have the right to withdraw shares but the Board of ACE has the power to permit Shares to be withdrawn by agreement between the Board and the Member. Also, the Board has the power to return capital to members at its discretion and plans to do so annually, spread pro-rata across the membership, as capital accumulates in the Society.

YOUR TAX

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.

Remember - Interest on these shares can be included in your Personal Savings Allowance.

14. OUR TERMS AND CONDITIONS

YOUR ELIGIBILITY

You may apply if you are over 16 and meet the membership requirements of our Rules.

YOUR APPLICATION

You are strongly advised to take appropriate independent financial and other advice.

By delivering an Application Form you offer to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of Shares specified, or the lesser number that may be allocated.

Once you make an application it cannot be withdrawn.

If your application is successful and you receive Shares, you agree to automatic membership of ACE and to be bound by our Rules.

YOUR PROMISE

You meet the eligibility criteria.

You are not (unless a Registered Society) making multiple applications for more than 100,000 Shares.

You are not relying on any information or representation which is not included in this Offer Document.

You shall provide all additional information and documentation requested by Aberdeen Community Energy in connection with your application; including in connection with taxation, money laundering or other regulations.

You have the authority to sign the Application Form for yourself, another person or an organisation.

OUR PROCEDURE

We will present your cheque/bankers' drafts on receipt – it may be rejected if it does not clear on first presentation.

We may retain surplus monies pending the clearance of your cheque.

We may reject your application in whole, or part, or scale it down, without giving reasons.

We will return any of your rejected or scaled-down money by crossed cheque or bank transfer, no later than one month after the end of the Offer.

We will not pay interest on the money we return to you.

We may accept your incomplete or inaccurate Application Form as if complete and accurate.

We reserve the right not to enter into correspondence with you pending the issue of your shares or the return of your money.

We will publish the results of the Offer to you within one month of the Offer closing, if your application was successful.

You will receive your Share Certificate within one month of the Offer closing, if your application was successful.

PRICING, TRADING AND DEALING ARRANGEMENTS

The Board has resolved to offer Shares at their par value of £1. ACE intends paying interest on Members' shares each year from the time when electricity generation begins (except in year one), such that retained profits will not accumulate. The underlying asset value of each Share is likely to remain at £1 and any Share redemption will take place at par.

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.

15. OTHER THINGS WE NEED TO TELL YOU

Your attention is particularly drawn to:

- **The Risk Factors which describe risks relating to this Offer.**
- **Terms and Conditions - by completing the Application Form you will be making an irrevocable offer to enter into a contract with ACE.**
- **The Rules of ACE - in buying Shares you become a Member and will be bound by those Rules.**

All investment and commercial activities carry risk. Should ACE 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 ACE is wound up, its assets will first be used to meet its liabilities; next to repay Members any outstanding

share capital, and finally any surplus remaining will be passed onto a charity, society or other not-for-profit body with similar objectives.

General information sourced from third parties in this Offer Document has been accurately reproduced and as far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This share offer is not covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme.

In the event a Member's death, the executor can apply to withdraw their shares. This application will get priority over others.



PHOTO: FILIPE BARCHÉ

16.

HOW TO INVEST

HOW TO APPLY FOR SHARES

The Offer is open to individuals, Registered Societies and other organisations. You have two options for purchasing shares with us:

1) by completing and returning the Application Form

2) by applying via Crowdfunder*:

www.crowdfunder.co.uk/ACE

*Applications via Crowdfunder incur us a 2.5% administration fee on the amount you invest.

HOW MUCH YOU CAN INVEST

You may buy a minimum of 100 and a maximum of 100,000 Shares at their £1 par value.

OUR CONTACT DETAILS

This Share Offer is being administered by Sharenergy. For all enquiries relating to this Share Offer, please contact them at:

Sharenergy,

The Pump House,

Coton Hill,

Shrewsbury,

SY1 2DP

Tel. 01743 277119 or email: info@sharenergy.coop

17. APPLICATION FORM



Aberdeen Community Energy – Donside Hydro Share Issue, August 2016

IMPORTANT: BEFORE COMPLETING THIS APPLICATION FORM YOU MUST:

- Read the accompanying Share Offer Document
- Pay special attention to the Risk Factors set out in this Offer Document
- Consider where you need to take financial advice or other advice in relation to the Terms and Conditions of the Offer contained in the Offer Document
- Read the Rules of Aberdeen Community Energy available on the company website at acenergy.org.uk or from ACE

PLEASE USE CAPITALS, BLACK INK AND COMPLETE BOTH SIDES OF THE APPLICATION FORM

AMOUNT TO INVEST

I/my organisation wish to invest £00 in Aberdeen Community Energy at the price of £1.00 per Share. You may invest no less than £100 and no more than £100,000 (except for Registered Societies).

PAYMENT OF INTEREST

If you would like your interest payments by bank transfer, please provide details in the box below, otherwise interest will be paid by cheque.

NAME ON ACCOUNT	SORT CODE	ACCOUNT NUMBER
APPLICANT DETAILS		
Forenames:		Surname:
Address:		
Postcode:		
Phone:		
Email:		
Please provide us with your email address to help keep costs of administration down		

IF THE APPLICANT IS AN ORGANISATION	
Organisation name:	
Organisation address:	
	Organisation postcode:
Type of organisation:	Registration number:
Name of authorised signatory signing this application:	
Position of authorised signatory:	



APPLICATION FORM CONTINUED

DECLARATION

I/my organisation confirm the understanding that:

- I am over 16 and the I/my organisation meets the Offer eligibility criteria.
- I/my organisation have read the Offer Document (including the Risk Factors and How to Invest) and the Rules of ACE.
- I/my organisation is not relying on any information or representation in relation to the Offer which is not included in the Offer Document.
- Our Application may be withdrawn if a supplementary Offer Document is issued, but not otherwise and if and when accepted by ACE forms a contract subject to Scottish law on the Terms and Conditions of the Offer Document.
- If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.
- ACE is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.
- I/my organisation shall provide all additional information and documentation requested by ACE in connection with this Application, including in connection with money laundering, taxation or other regulations.
- I/my organisation is not (unless a Registered Society) making an application or multiple applications for a total of more than 100,000 Shares.
- If signing this Application on behalf of any person/organisation I am doing so with explicit authority.
- I/my organisation, if not UK resident, are responsible for ensuring that our Application complies with any laws or regulations applicable outside the UK to which we are subject.

I understand that the cheque or bankers draft supporting this application (if enclosed) will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

Signature: (Applicant/on behalf of Applicant organisation as applicable):	Date:
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Payment

I wish to pay by cheque: bank transfer: (tick as appropriate)

Cheque	Bank Transfer
Please attach a single cheque or banker's draft for the amount shown above, payable to Aberdeen Community Energy .	Please pay by bank transfer to the following account: Account name: Aberdeen Community Energy Sort code: 08 92 99 Account number: 6578 2402 Please use your name as the reference attached to the transfer.

If we need to return any or all of your monies because of oversubscription or cancellation of the project, please indicate whether you would like this returned by cheque or by bank transfer to your account specified overleaf.

Please return any monies by cheque: bank transfer: (tick as appropriate)

Please post your completed Application Form and payment to:

Aberdeen Community Energy , c/o Sharenergy, The Pump House, Coton Hill, Shrewsbury, SY1 2DP

We would be grateful if you would inform us how you first heard of this Share Offer: _____

This application form can be photocopied and additional application forms are available from: acenergy.org.uk.
 For all enquiries use the contact details in the Offer document.

Thank you for considering investing in and joining Aberdeen Community Energy

PLEASE USE CAPITALS, BLACK INK AND COMPLETE BOTH SIDES OF THE APPLICATION FORM



SPECIAL THANKS

Designing, constructing and operating a hydro energy power station is no easy feat! Especially for a new community. We've been expertly and patiently supported through our exciting and challenging venture by a wide range of people and organisations. Some of the key ones are listed below. The rest of you know who you are. A heartfelt thank you to you all for seeing into our vision and helping us to build a better future, together.

FOR INFORMATION OR INVOLVEMENT IN THIS SCHEME, PLEASE GET IN TOUCH WITH ABERDEEN COMMUNITY ENERGY.

VISIT US ONLINE:

ACENERGY.ORG.UK

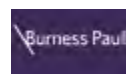
WWW/FACEBOOK.COM/ACENERGY2016

TWITTER.COM/ACENERGY2016

WWW.LINKEDIN.COM/COMPANY/ABERDEEN-COMMUNITY-ENERGY

OR EMAIL US: INFO@ACENERGY.ORG.UK

Aberdeen Community Energy is the trading name for Donside Community Hydro Limited, a Community Benefit Society registered with the Financial Conduct Authority, number: 7251





ACENERGY.ORG.UK

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For enquiries relating to this share offer contact:

**Sharenergy, The Pump House,
Coton Hill, Shrewsbury, SY1 2DP**

T. 01743 277119

E. info@sharenergy.coop

W. sharenergy.coop