

January 2014

Great Weather, But Poor Generating Total!

The nice weather we had in the spring/summer of 2013 followed a relatively dry winter, and as a consequence Archie was idle more often than not. Winter snow does not a full river make and we



suffered accordingly, generating only 84 MWh in FY2012/13. Fortunately, the “cushion” we were able to build up in the previous Monsoon Year, when we generated over 250 MWh, has helped considerably, but it was a big disappointment to generate so little in spite of all our efforts. However, after a slow start this financial year, the river once again has some water in it. Archie loves the little-and-often rain we have had recently (although not the major storm events that block the intake with rubbish!) and has been working hard for the last few weeks. We did lose one day of generation in mid-January

because the gate automatically closes (on battery power) when the engine house suffers a power cut, but in spite of this we have generated over 70 MWh since the beginning of October.

Securing THNM's Future

We have now completed 5 full years of operation, 2 of which were about average, one was a bumper year and the other two fell far short of our expectations due to flood damage in FY2010/11 and poor rainfall in FY2012/13. This last year of poor generating income has brought home to us just how big the fluctuations in our income stream are. At recent Board meetings this has been the subject of intense discussion, and a sub-committee was convened to explore ways of improving our financial stability. After subjecting our finances to an intense scrutiny, the subcommittee identified several options, the most promising of which involves retiring our loan as loan repayments represent a major part of our monthly outgoings. We are now past the halfway mark in our 10-year loan, and although as with many loans there is an early payment penalty, this is now relatively small and we could pay off the loan in full for around £43,000.

New Share Issue?

The obvious way to do this is to sell some more shares. We would aim to raise sufficient funds to pay off the loan and earmark any money above that for upgrades to the plant. Although this would dilute existing shareholders' holdings, it would secure the company's future and make it far more likely that we would be able to at last pay our incredibly patient shareholders some interest. Based on our past generating history and normal running costs, our Financial Director anticipates that in an average year this would likely be in the range of 3p/share (3%).

An adequate contingency reserve would also reduce some of the stress on our operating crew, who are currently keeping Archie running on a shoestring. At their January Board meeting, the Directors therefore agreed to propose an additional share offering of 50,000 £1 shares at the AGM, with existing shareholders having priority. A new share prospectus containing up-to-date information based on our 5 years of operating experience will be created and the share offering, if agreed by our existing shareholders, launched at the AGM.

Putting our finances on a firmer footing will enable us to make a profit in a good year and break even in a poor year. Which leads us to:

Proposed Mechanism for Distributing Profits

Nobody was really happy with the somewhat *ad hoc* motion at last year's AGM, so we went back to the drawing board. Based on a suggestion made at the meeting by one of our shareholders, we think the following proposal might better fit our needs:

In years where we make a profit, we will make an interest payment to our shareholders. The contingency fund will be topped up if necessary and a portion of the profits will go to the THNM Community Fund to be distributed to local organizations. The Secretary will maintain a record for each shareholder and once the amount reaches a specific amount (£20?) a cheque will be issued. Shareholders may opt to donate their interest pay-out to the THNM Community Fund.

This proposal will be formally presented at the AGM, but any advance feedback from shareholders will be welcome. Email us at secretary@torrshydro.org, or write to Jan at the address below.

AGM: 11am 29th March 2014 at the Revival Church, High St, New Mills

The AGM paperwork will be sent out in a few weeks' time. There are 3 Director vacancies this year, and once again we would ideally like to recruit some new Directors to broaden our expertise as we mature as an organisation. This is a good way to get more involved in THNM, so please consider volunteering in this capacity. We need people with a wide range of skills to become involved in the running of the company, engage in long term planning and oversee operations.

Please Contribute to the Food Drive at the AGM

Last year we tried something new at the AGM by asking our shareholders to bring an item for a local food bank and collected about 20 kg (over 40 lbs in "old money") of food. This was very gratefully received by the food bank in Buxton, whose shelves were completely empty when Jan carted the boxes over there. This year we would like to do this again, but this time for the even more local New Mills Helping Hands Food Bank that opened last May. So if you can, please bring a tin or packet of food with you when you come to the AGM. They have plenty of beans and pasta, but are especially short of coffee, tea, cereal, UHT milk and juice. And thank you in advance!

Project Archie

The young people of New Mills have really adopted Archie as one of their own. After school one day last September, children from all the area primary schools gathered at the site to sing Write Van Men's "Archie", complete with Makaton signing, for a school PTA fundraiser CD-Rom. The big excitement was that their parents told them to take their coats off *even though it was raining a bit!* They were thrilled....



Interesting visit!

An officer from DEFRA/WRAP brought a group to see an operational scheme and discuss community HEP with us. They are interested in issues arising from community led schemes and EA requirements, focusing especially on community hydropower and the support it needs, as WRAP are considering a new fund for community hydropower development. We hope we persuaded them that it's a worthwhile venture.

Wildlife Seen in the Torrs

Volunteers going down early in the morning to check how Archie is doing often see mallards and herons and this year dippers nested in the wall by the bridge over the Sett. They obviously reared a successful brood as later in the summer three were seen flying over the weir together. A grey wagtail often sits on the fish pass wall, but the real treat has been the Goosanders, who returned in December 2013 after a gap of two years. Two appeared at the top of the weir at 8:30 one Monday morning enjoying some diving before plunging over the weir and into the pool of water at the base. After entertaining us for a few minutes, they moved on down the Goyt. Go to the RSPB website to learn more about them.



And finally, an apology: Last year was particularly busy for the newsletter editors for personal reasons, and you may have noticed we only managed to get one newsletter out. We offer you our sincere apologies, and have vowed to do better this year. Comments, queries, etc. can be sent to either THNM Director Mary Cohen at mary@torrshydro.org or Company Secretary Jan Szechi at secretary@torrshydro.org, or send a letter to Jan Szechi, 25 Albion Mews, New Mills, High Peak SK22 3EG. We love to hear from you!