



torrs hydro

NEW MILLS

Shareholders Newsletter Number 1

August 2008

Welcome



The screw on Wednesday 27th August (Steve Essex)

Welcome to your first Shareholders newsletter. It is about five months since construction in the Torrs started and time to bring you up-to-date. The transformation on the site of the Torr Mill is amazing. What started off in March as a slow construction process with the team of archaeologists recording the old foundations quickly gathered pace and has continued to transform a big 'muddy hole' into 'Torrs Hydro'. Everyone directly involved, Directors included, have been working long hours to complete this challenging project.

Project Update

Four months into the project, archaeologists have been and gone, 800 tonnes of spoil has been removed, more tonnes of concrete have been poured than we like to confess and our Archimedes screw is now installed. It doesn't sound much if you say it quickly but this is a huge feat in a very short period of time.

The Coop Store on Church Road, New Mills has agreed to buy most of the power we produce, ensuring our 'green' electricity is used in New Mills. The generator has been installed, a stone house built around it and a private cable has been laid to carry the electricity from the Torrs to the Co-Op Store. At the same time the finishing touches – stonework, landscaping, picnic benches – are being completed to leave the site restored.

We have Power!!!

The Torrs Hydro Archimedian Screw produced its first few units of electricity on 21st and 22nd August during testing.

Regular progress updates can be viewed on

- the Torrs Hydro 'blog': www.torrs-hydro-new-mills.blogspot.com , or
- visit the Torrs Hydro web site on: www.torrshydro.co.uk

Alternatively, if you have any questions please contact any of the Directors by email or ring us on 01663 898070 (leave a message and we'll get back to you).

Who are the Directors?

There are five directors, all from New Mills, all from different backgrounds and careers, but all with one common goal – to make this project succeed and in doing so help other like-minded groups to succeed as well.



The Directors in front of the screw on Big Lift day 8th June 2008. (Steve Essex)

Richard Body : is a freelance IT consultant currently contracted to N Power. Richard's interest in the hydro scheme dated back to October 2006 when as coordinator of High Peak Friends of the Earth he met Water Power Enterprises and offered to support the scheme. He is the company secretary. secretary@torrshydro.co.uk

Maggie Cole : worked as an industrial chemist for the Coal Research Establishment for 17 years until the demise of British Coal. Now a youth and community worker she works voluntarily with the Pankhurst Centre in Manchester and with the Hangout in New Mills. Keenly aware of the environment and the challenges of Climate Change, Maggie is a member of both High Peak Friends of the Earth and the Centre for Alternative Technology. maggie@torrshydro.co.uk

Till Geiger : is a Lecturer in International History at the University of Manchester. Till has a longstanding interest in environmental issues and is a member of High Peak Friends of the Earth. Till has taken a lead in addressing legal issues relating to the project. till@torrshydro.co.uk

Esther Jones : began life in academia (Mathematics & Computer Science). She now works locally for High Peak CVS, providing advice and support to social enterprises (i.e. businesses with social and/or environmental as well as financial objectives such as Torrshydro) charities and other voluntary and community organisations. Esther is also a co-organiser of the New Mills One World Festival. She is particularly passionate about the community ownership, investment and participation that the IPS legal structure allows projects such as Torrshydro. esther@torrshydro.co.uk

Sean Whewell : is an IT Director by trade having worked on multi-million pound global projects for blue chip companies. He lives a stones throw from the Torrshydro site with his wife and three children. Sean likes to get 'stuck in' with the project. He has run the 'blog' and is often seen on site getting his hands dirty. You may also have seen him pounding the streets of the High Peak as he runs marathons to raise funds for charities. sean@torrshydro.co.uk

General Financial Picture

Our original project costs were outlined in the prospectus. But the financial picture has changed significantly over the past nine months. We originally aimed to raise £126,000 in share capital, and were successful in attracting just under £100,000. However, with help from Water Power Enterprises, we received grants from East Midlands Development Agency of £75,000 and the Coop of £45,000, increasing the total grant income to £120,000

This is the first project of its kind, and the original costings were estimates. The projected costs have now increased to about £315,000, due to:

- The unfavourable Euro exchange rate which increased the cost of the Archimedean screw by about £13,000
- The decision to sell the power to the local Coop store - a favourable long-term supply arrangement. This has entailed installing a private wire connection at a cost of around £30,000, for which the Co-operative Group will reimburse us.
- A number of other costs were underestimated in the initial project budget.

Shareholders will receive accounts and a detailed financial report at the AGM.

Given the cost overruns, we will need to borrow at least £50,000. With the help of Water Power Enterprises, Torrs Hydro has been offered a loan from the Coop Bank of up to £61,000 in order to complete the project.

Shareholders

Shareholder Certificate

Your shareholder certificate is included with this newsletter, please look after it together with the letter of acceptance of your share application.

There are currently 210 shareholders or members. 111 (53%) live within the SK22 postcode and 28 (13%) within other SK postcode areas. The remaining 71 (34%) are from other parts of the country, many with links to local people. Most members (90%) hold £250-500 worth of shares, and we have several businesses that are members.

In order to build up reserves THNM may be able to offer members the opportunity to purchase further shares. Please contact Richard Body, at the 90 Market Street address or email secretary@torrshydro.co.uk for details if you are interested.

We have received advanced assurance from HM Revenue and Customs (HMRC) that our share offer will qualify for the Enterprise Investment Scheme (EIS) income tax relief on investments of £500 or more. HMRC describes EIS tax relief:

'This is available to **individuals** only, who subscribe for (although this can be through a nominee), shares in an EIS qualifying company. There has to be a minimum investment of £500 worth of shares in any one company in any one tax year. The relief is 20% of the cost of the shares, to be set against the individual's income tax liability for the tax year in which the investment was made.'

See HM Customs and Revenue website – www.hmrc.gov.uk - for more details. We cannot claim the EIS status until the scheme has been generating electricity for 4 months. This means we cannot issue the **EIS3 tax relief certificate** to you until 2009 at the earliest.

Events

Important events coming soon are:

- the **'Grand Opening'** – hopefully late September or early October, and
- Torrs Hydro's first **AGM**, planned for November. Our first year's financial and project reports will be completed by then, and the first elected directors will be appointed at this meeting.

Details of both events will be circulated as soon as dates are finalised.

Exhibitions

'The Progress of the Project in Pictures and More' at **New Mills Heritage Centre** is there until the end of September.

'Old Technology, New Applications' at **New Mills Library** September 2nd to September 29th.

Talk

'The Country's first Community Owned and Funded Hydro Electric Scheme'

Wednesday 24th September, 7:30 - 9:00pm at the Revival Church, High Street, New Mills
Come and hear about the pioneering scheme in New Mills Torrs: a presentation and informal discussion.



Chris & Yvette of Western Renewable Energy and some of the crew on the Big Lift day (Picture: Paul Deveraux)

Thanks to.....

Water Power Enterprises (who laid the groundwork for the project by obtaining a lease from the Town Council, planning permission and an abstraction license, and have supported THNM throughout), New Mills Town Council, Western Renewable Energy, the Cooperative Group, EMDA and the many other organisations and individuals who have assisted in this project so far.

Have you signed our e-petition?

Not only are we installing a Hydro Electric scheme in New Mills we are also trying to assist other schemes around the country and companies who work in the sector by lobbying Parliament for a change in current legislation around renewable energy.

We have set up an e-petition and kindly invite everyone to sign the petition to raise awareness on the current financial imbalance for renewable energy schemes that produce more than 50KWh.

To sign the petition please use this link: <http://petitions.pm.gov.uk/Torrs-Hydro/>

And finally...

How would you like to receive future newsletters?

- By email (saving costs for Torrs Hydro)
- On paper, by post

We can also offer large print, Braille and audio versions.

Please let us know! Ring 01663 898 070 or email secretary@torrshydro.co.uk