



Applecross Community Hydro

Haidro Coimhearsnachd na Comraich



Share Offer Opens:	17 October 2015
Deadline:	30 November 2015
Minimum Target:	£150,000
Maximum Target:	£780,000

Tairgse earrann a' fosgladh:	17 Dàmhair 2015
Ceann-là:	30 Samhain 2015
Targaid as lugha:	£150,000
Targaid as motha:	£780,000

Co-operative and Community Benefit Society
Registration Number 7022



SHARE OFFER
TAIRGSE-EARRANN



An invitation to invest in a community-owned hydro-electric generation scheme in Applecross
Cuireadh airgead a chur an seilbh ann an sgeama haidro air a' Chomraich, fo stiùir na coimhearsnachd fhèin

Applecross

A' Chomraich

Applecross is a peninsula in North West Scotland, where the population of about 230 lives in scattered crofting townships. The road into Applecross, the Bealach na Bà, is well known as one of the highest in the UK.

Applecross has a long and interesting history, from the days of Scotland's first settlers who arrived after the Ice Age, the arrival of St Maelrubha who established a monastery there, resulting in the Gaelic name a Chomraich (the Sanctuary), to Iron Age broch dwellers and Viking invaders.

Today Applecross is a very popular destination for visitors, many of whom return frequently, attracted by its beauty and the warm welcome they receive.



This is the burn the water for the Applecross hydro scheme will come from: Allt Breugach, the lying burn.

It's called the lying burn because it disappears underground at various places leaving an empty river bed. It runs through a complex limestone cave system with stalactites up to 6 feet long.

It's a great burn on which to build a hydro scheme. It has been used in the past by Applecross residents to power a water mill or mills. The remains of the water wheel for the mill processing animal feed can be seen on the steading building on the way into the Applecross Campsite. This mill was still usable in the 1940s.



www.applecrosshydro.scot



Summary of the proposal

Geàrr-chunntas an tagraidh

This document contains an invitation to subscribe for shares in **APPLE JUICE (Applecross) Limited** (reg. no. 7022) to cover the cost of the first community-owned hydro scheme in Applecross.

APPLE JUICE (Applecross) Limited has been established as a Co-operative and Community Benefit Society with the specific purpose of owning and operating community renewable energy schemes in Applecross to benefit the community of Applecross.

APPLE JUICE will generate revenue by selling green hydro-electricity. The income will allow **APPLE JUICE** to contribute to other projects and initiatives within the area by gifting the net profits of the scheme to **Applecross Community Company (ACC)**. **ACC** is a registered charity with the objective of promoting sustainable development in the community of Applecross.

Investors should appreciate that any investment they make is to support the development of renewable energy and, accordingly, a subscription for shares in **APPLE JUICE** should be regarded as both an investment for social and environmental purposes and one that could produce a small financial return. It should also be noted that members of community benefit societies do not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION.** It should be read in its entirety.

If you are in any doubt as to the action you should take you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) or from another appropriately authorised independent financial adviser.

The content of this document has not been approved by an FSMA-authorised person. Reliance on this document for the purposes of engaging in investment activity may expose an individual to a risk of losing all the money he/she has invested.

Nothing in this document constitutes investment, tax, legal or other advice by **APPLE JUICE**, its directors or advisers.

The share offer opens on 17 October 2015 and closes on 30 November 2015. However, the Board of **APPLE JUICE** reserves the right to extend this deadline if the amount raised is close to the amount required to proceed.

Due care and attention has been taken in preparing this offer document. The process has been overseen by the founder members who can vouch that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of **APPLE JUICE**.



Community-owned renewable energy for Applecross

The project

Am pròiseact

The Applecross hydro scheme was initiated by the members of **Applecross Community Company (ACC)** and the wider Applecross community who gained funding for feasibility studies to find the most suitable site for a community renewable energy project in the Applecross area. These studies resulted in a site being identified in the Applecross Bay area for a small-scale hydro scheme.

Planning permission has been gained from Highland Council, a water extraction licence has been granted by SEPA, and Scottish & Southern Electricity (SSE) has granted an export licence to enable the generated electricity to be sold to the National Grid.

As a Scottish Charity **ACC** is not allowed to operate a hydro scheme. Therefore a new body was required. In establishing this entity we were seeking to achieve the following:

- the assets would remain for the benefit of the community in perpetuity via an 'asset lock'
- the management of the society would remain in the control of the Applecross community
- investors would have equal voting powers irrespective of the size of their investment; one member one vote
- all net profits would be invested in the local community.

So with support from Local Energy Scotland, the Plunkett Foundation and Co-operative and Mutual Solutions Ltd it was decided that the most appropriate legal structure for the new body was a 'Co-operative and Community Benefit Society'.



Lùth ath-nuadhachail aig a' choimhearsnachd fhèin airson na Comraich

The proposed 90kW hydro installation is estimated to generate, on average, 447,061 kWh of electricity a year.

The proposed 90kW hydro installation is estimated to generate, on average, 447,061 kWh of electricity a year. The amount of electricity produced at any one time will depend on the flow of the river. The performance figures quoted are an estimate based on projections by the system designer, Highland Eco-Design Limited (Highland Eco), using standard industry flow data (LowFlows) and a 12-month flow analysis on the river by MNV Consulting Limited.

Our contractors, Highland Eco, have guaranteed the costs to build the scheme and repay the Scottish Government Community And Renewable Energy Scheme (CARES) loan will be £746,000. The new society **APPLE JUICE** aims to raise at least £150,000 by selling 'withdrawable shares'. These shares have a fixed value of £50 and cannot be sold, traded or transferred between members, unlike the 'ordinary shares' typical of a limited company and only **APPLE JUICE** can buy them back. Rather

than an annual share dividend being paid to shareholders an annual interest payment is made. The level of interest is recommended by the **APPLE JUICE** Board of Directors and agreed with the members of **APPLE JUICE** at the Annual General Meeting. Although the shares are withdrawable after three years, the decision to allow withdrawal is at the discretion of the Board members, on a first come first served basis and only when the company has enough financial resources to buy them back. Interest on the shares is paid gross (it is the investor's responsibility to declare these earnings to HMRC).

The hydro site belongs to the Applecross Trust which is offering **APPLE JUICE** a 40-year lease on the land. It is likely to be possible to re-negotiate the lease after 40 years so the scheme could be in place for many more years. The concrete footings and the turbine are expected to last beyond the 40-year lease. It is not unknown for hydro systems to operate for approaching 100 years without major problems.

The opportunity

An cothrom



The benefits of the scheme will be threefold:

Generating clean, green electricity

The Applecross scheme is estimated to generate, on average, 447,061 kWh of green electricity each year. This could provide sufficient electricity to power more than 123 homes a year and reduce the carbon footprint of Applecross by over 216 tonnes.

Bringing environmental and social benefit to the community

The scheme will aim to generate initially around £10,000 a year to be donated to local projects rising during its first 20 years – enabling investment in larger projects and inspiring others to follow **Apple Juice's** example. The amount of money donated will vary from year to year as it is largely dictated by the weather. If Applecross has a wet year then the donation may be more than if we have a dry year. The amounts also depend on financial obligations that **APPLE JUICE** has. During the first 15 years, it is possible that we will be paying off a commercial loan and therefore this will affect the money available to donate to local groups and projects. **This is why it is so important that we raise as much money as possible ourselves through this share issue.** The more we raise through shares, the less commercial finance is needed for the scheme and the more profits we will have to invest in community projects.

A design study has been completed for an electric district heating system using electricity output from the hydro turbine. Once the hydro is up and running the next focus will be to secure capital to install this electric district heating system connecting local businesses and houses in the area of the hydro. This potentially generates an additional income for **APPLE JUICE** of approximately

£8,000 per year. It is planned to create a long-term sustainable price for heating for residents connected to it. The intention is that residents not able to benefit directly from this local system will be able to benefit indirectly via small grants to allow them to improve energy efficiency and reduce fuel bills.

Applecross Community Company has applied for funding towards the costs of installing the district heating scheme from the Big Lottery Fund's Investing in Communities programme. We were delighted to hear in October 2015 that the application had been accepted into the second round of this very competitive programme. A full application will be prepared and submitted within the next few months.

Offering you a financial return for your support

The project will not be possible without the support and commitment of investors. If you invest in **APPLE JUICE** you will help to achieve this vision of a green future and enable **APPLE JUICE** to help you to a potentially greater financial return than you would currently gain by putting your money in the bank. If you are a UK tax payer you may be eligible for tax relief through the Enterprise Investment Scheme (EIS) and the Seed Enterprise Investment Scheme (SEIS) and you may be able to recoup up to half the cost of your investment at the outset.

uisge, neulach, frasachd, dìle, allt, a' plubadaich,
an dìle bhàthte, a' taosgadh, leum, tha an dìle
bhàthte ann, stealladh, bog fliuch, neul,
a' sruthadh, alltan, tha e a' sileadh, eas, plub,
a' taomadh, sgòthach, tha an t-uisge a' dortadh,
lòn, bogha-frois, sgòth, fras, sil, spùt, taosgadh,
steall, a' plubraich, sruthan, gluanas, tha e a'
dortadh, uisge, neulach, frasachd, dìle, allt,
a' plubadaich, an dìle bhàthte, a' taosgadh,




Your investment An cur an seilbh agaibh

Investors can only withdraw shares from the society in the first three years after **APPLE JUICE** starts trading (selling power) at the absolute discretion of the board. Shares in **APPLE JUICE** will never go up in value but can have their value reduced to zero if **APPLE JUICE** was to fail.

Investors can expect a reasonable rate of return on their investment. The level of interest will be suggested by the Board of **APPLE JUICE** and referred to the **APPLE JUICE** members for approval at the AGM. Investment returns are capped by the rules that govern **APPLE JUICE** and the maximum level of interest is limited to 2% over the Co-operative Bank's base rate or 5%, whichever is the higher.

Based on the assumptions about the likely pre-tax profits, the Directors hope to be able to pay an annual interest on share capital of 4% (gross) per annum.

Membership of **APPLE JUICE** is open to individuals, corporate bodies, voluntary organisations and public sector investors. A Share Application form is provided within this document and forms are available to download online at www.applecrosshydro.scot. Any tax incentives are subject to HMRC rules on eligibility.



Investing in **APPLE JUICE** is principally a social investment but will provide investors with a fair financial return.

How much can I invest?

The price of a share in **APPLE JUICE** is **£50**, with a minimum investment of **£300** to become a member. If you are struggling to afford **£300** but want to invest, we can offer joint memberships where people club together to buy a share (only one vote per group) or discuss staged payments. The maximum investment is **£50,000**.



e.g. Jenny invests £20,000 in the tax year 2013-14 (6 April 2013 to 5 April 2014) in SEIS qualifying shares. The SEIS relief available is £10,000 (£20,000 at 50%). Her tax liability for the year before SEIS relief is £15,000 which she can reduce to £5,000 (£15,000 less £10,000) as a result of her investment.

What do I receive in return for my investment?

- A target interest rate of 4% (gross) per annum
- It is anticipated that interest payments will start in 2017/18
- A vote: all members will have one vote each, regardless of how many shares they hold (providing they have the minimum 6 x £50 shares)
- The right to elect the **APPLE JUICE** Board of Directors and to participate in the Annual General Meeting deciding on the future and running of the business
- The opportunity to become one of the volunteer Directors of **APPLE JUICE**.

Will my investment be eligible for tax relief?

Advance assurance has been applied for from HM Revenue and Customs (HMRC) that the shares in **APPLE JUICE** are eligible for tax relief under the **Seed Enterprise Investment Scheme (SEIS)** and the **Enterprise Investment Scheme (EIS)** – these are government-backed schemes designed to encourage investment in smaller companies. Other community-owned hydro schemes in Scotland have received this tax relief as it is a qualifying trade.

Investors in **APPLE JUICE** can apply for income tax relief after the start of trading i.e. when **APPLE JUICE** is earning revenue from the sale of generated electricity. Your personal tax circumstances will affect the amount of tax relief in each case.

The rules for SEIS and the EIS tax relief require the investment to be held for at least 3 years from the start of trading (**not** the date of the investment). Once **APPLE JUICE** has been accepted by HMRC you can apply for tax relief. Remember, applications for tax relief are made by you the investor to HMRC, not by **APPLE JUICE**, and so we **cannot** give guarantees. www.hmrc.gov.uk/seedeis/ is HMRC's information site; it explains the application procedures but, if you are unsure, please seek professional advice.

SEIS will enable the first £150,000 of investment into **APPLE JUICE** to qualify for 50% tax relief for individual investors and Capital Gains relief. Subsequent investment qualifies for 30% tax relief under EIS. **As it is only the first £150,000 of investment that qualifies for the higher SEIS rate, this will be allocated to those qualifying investors who return their correctly completed application form and payment first.**

Why we need your investment Tha feum againn air ur taic

Complications and delays in the development of the project meant that the build on the scheme needed to start in August 2015 before **APPLE JUICE** could raise the money required. The Board of **APPLE JUICE** has negotiated a bridging loan agreement with Highland Eco. This allows for Highland Eco to build the scheme.

Highland Eco shall be responsible for any payment of sums under the design and build contract and also payment of any sums to take the project to commissioning; all the sums under the build contract including any additional sums required; and they are to pay off the CARES loan ('the Capital Cost').

In exchange for this, Highland Eco is entitled to repayment of their loan over 20 years, which will be linked to a percentage of the profits of the scheme and this would be a much more expensive way to fund the hydro scheme.

APPLE JUICE has the opportunity to reduce the amount they have to pay Highland Eco and preserve additional income for **APPLE JUICE** by repaying them as shown below:

1. For the period up until 11 December 2015 paying back the Capital Cost (either wholly or in part). **APPLE JUICE** pays back between 20% and 100% of the Capital Cost. Ideally the whole 100% of the Capital Cost would be paid off at cost; and / or
2. For the period from 11 December 2015 to the fifth anniversary of the date of first export pay further sums back, but at a higher cost than the Capital Cost, where the total sum to be repaid shall be a sum calculated with reference to the value of the scheme, known as the Net Present Value (NPV).

APPLE JUICE must either pay off 20% of the Capital Cost by 11 December 2015 or 20% of the NPV by the fifth anniversary of the date of the first export.

Accordingly, if **APPLE JUICE** cannot raise the money by 11 December 2015, this is not necessarily the end of the process as there is a period up to the fifth anniversary of the date of first export of electricity from the scheme when **APPLE JUICE** could buy the scheme at its NPV. This is more than the Design and Build cost as an operating scheme is more valuable than a partly built scheme.

If **APPLE JUICE** can raise the money to pay off Highland Eco at the Capital Cost before 11 December 2015, the buy-out price required is £746,000 (£684,000 Design and Build cost plus £62,000 CARES loan).

If **APPLE JUICE** has to pay back the scheme at NPV, the purchase price will vary depending on the value of the scheme. By way of example:

- if Highland Eco is repaid in full between 11 December 2015 and on or before 31 December 2015, the sum of £823,508;
- if Highland Eco is repaid in full after 31 December 2015 but on or before 31 January 2016, the sum of £831,391;
- if Highland Eco is repaid in full after 31 January 2016 but on or before 29 February 2016, the sum of £869,936; and
- if Highland Eco is repaid in full after 29 February 2016 but on or before 31 March 2016, the sum of £871,905.

We must remember though, that the **full** amount does not need to be paid, just 20% of the relevant figure at the time.

APPLE JUICE aims to raise the monies to buy the scheme before 11 December 2015 and would therefore need to raise a minimum of £150,000 to do so. **APPLE JUICE** intends to raise this minimum amount of 20% at the very least through their share issue. We would hope to raise the remaining 80% through the share issue as well, but if we are unable to do so then we would try to secure loan finance to fill the gap or alternatively proceed with the amount of the share capital raised to pay off as much of the loan as possible.

In the event that the monies to buy out the loan to Highland Eco are raised by 11 December 2015, then the financing costs of the scheme will be far less – as the interest rate on **APPLE JUICE** shares is lower than the interest rate on the Highland Eco loan. So the more investment that is made into the project through **APPLE JUICE** over and above the 20% minimum, the more monies for community benefit will flow into Applecross.

As the scheme will be built by 11 December 2015, **APPLE JUICE** will be in effect buying a built scheme. This is a less risky investment than in most community renewables share issues, as most are raising the money to build the scheme. **Hence a key risk – that the scheme will not be built or completed – does not apply in this case.**

Highland Eco will be taking a security over the scheme. If **APPLE JUICE** was not able to either pay off 20% of the Capital Cost before 11 December 2015 or pay off 20% of the NPV before the fifth anniversary of the date of first export, then Highland Eco would be entitled to exercise their security, and may choose to take over the lease and run the scheme. It should be noted that, if, at some time in the future, **APPLE JUICE** defaults in its arrangement with Highland Eco then Highland Eco has step-in rights

to take over the scheme, similar to any conventional loan provider.

If the 20% threshold is not met though, all **APPLE JUICE** share capital raised will be returned to the **APPLE JUICE** investors.

Accordingly in the event that 20% of the funds is not raised then these

funds will be returned to investors and Highland Eco has agreed to contribute an annual payment for the community (community benefit) for a period of 20 years to **Applecross Community Company**.

Provided this 20% threshold is met there is no right to step in to the scheme except under the usual

circumstances where **APPLE JUICE** is in breach of the terms of the Loan Agreement. It should be pointed out though that this is a secured loan agreement, so even if the 20% threshold is met, **APPLE JUICE** needs to repay Highland Eco over the 20 years under the terms of the Loan Agreement.



Project financing

Ionmhais a' phròiseict



Business assumptions and financial projection

In preparing the financial projection a simplified and conservative view of funding has been taken; the calculations assume no funding from interest-free loans or Gift Aid. A financial summary is set out at the end of this prospectus.

The aim is to have the scheme generating electricity by December 2015 making Year One 2016.

Capital cost

The build costs of the project are £746,000, plus £34,000 to cover the costs of running the scheme until **APPLE JUICE** receives income for energy generated. Total capital requirement is therefore £780,000.

Equity investment

We aim to raise at least £150,000 – 20% of the total amount required to build the hydro scheme. Ideally we would prefer to raise 100% of the total. If the share issue is oversubscribed then priority will be given to the residents of Applecross.

Commercial loan

We are in discussions with a number of social lending institutions regarding the provision of loan facilities to help finance the project. This is expected to be over a term of 15 years maximum, with interest charged at up to 8%. It is hoped that we will not need to use this facility if all the money can be raised from this share offer.

Operating the hydro

Ag obrachadh an haidro



APPLE JUICE will initially be run by a group of founder members. These founder members are made up from the current **Applecross Community Company** Board and work on a voluntary basis. **ACC's** Local Development Officer will be responsible for the day-to-day project management. It is these founder members (Directors) who will decide on the initial share allocation and run the society until the first Annual General Meeting.

There will be a total of up to 12 directors in future. **Applecross Community Company** has the right to appoint three directors, with the rest elected from among the members of the society.

Community Benefit Payment

The community benefit monies will be donated to **ACC** to distribute (as this is the most tax efficient way of organising matters) according to its priorities. The surplus revenue generated by the hydro scheme will be transferred to **Applecross Community Company**. It will be used to fund or part-fund projects of benefit to the Applecross community which have been identified by ongoing community consultation over the years. Priorities include:

🍃 Affordable housing

🍃 Increase in variety of work opportunities, including support for small business start-ups and development

🍃 Energy efficiency in our hard-to-heat-and-treat housing stock

🍃 Transport

🍃 Care of the elderly and disabled, enabling them to stay in the community

🍃 Sports and leisure facilities

🍃 Support for our school and local providers of health care.

The hydro scheme is a long-term income generating project lasting for at least 40 years, probably much longer. However, it is impossible to plan how profits from the scheme will be spent several years into the scheme.



The risks

Na cunnartan

As **APPLE JUICE** has been incorporated with limited liability, the liability of its members will be limited to the amount paid for their shares. However, prior to making any decision to subscribe for shares in **APPLE JUICE**, you should carefully consider, together with all other information contained in this document, the specific risk factors described below which are considered to be material in relation to the society.

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

Additional risks

All projects involve an element of risk. Successful projects manage and mitigate the risks appropriately. The following risks, or areas of risk, have been identified and the current management will seek to manage these and any emerging risks throughout the project:

Overspend

This risk has been fully mitigated by the arrangement with Highland Eco. The society will be buying a completed scheme. There will be no outstanding risks due to construction costs or unexpected problems on the site and members can be confident all agreements are in place as Highland Eco has checked these before beginning construction.



Failure to raise sufficient capital

This risk is being mitigated by careful planning and contingencies, production of a robust business case for the share issue and potential commercial lenders. If insufficient capital is raised your investment will be returned.

Construction risk

This risk has been fully mitigated by the arrangement with Highland Eco. The society will be buying a completed scheme. There will be no outstanding risks due to construction costs or unexpected problems on the site.



APPLE JUICE is in default with Highland Eco

if the society does not pay off the loan in full with Highland Eco, then there will be an ongoing loan agreement with Highland Eco for the remaining amount. If **APPLE JUICE** were to default on that loan, then Highland Eco would have step in rights to take over the scheme. In mitigation, the society has prepared a detailed business plan and financial forecasts and has negotiated the loan agreement so that its terms are not unduly onerous.

Volume of water

The amount of electricity generated by the hydro scheme is linked to volumes of water in the Allt Breugach in Applecross. This varies both day-to-day and across years and may be lower than assumed in our financial modelling. 12 months of measuring the actual water flows in the Allt Breugach backed up by 'LowFlows' data, by environmental consultants MNV Consulting Ltd, to estimate the volume of water available for generating electricity. Revenue has been calculated on this basis.





Other legal stuff we need to tell you

Stuthan laghail eile a dh'fheumas sinn innse dhuibh

APPLE JUICE (Applecross) Limited was registered with the Financial Conduct Authority on 7 October 2014 (registered number 7022). Our governing document, the 'Rules of **APPLE JUICE (Applecross) Limited**', is available to download at www.applecrosshydro.scot and explains member rights as well as the management and constitution of the society. Other relevant background documents can also be found on our website.

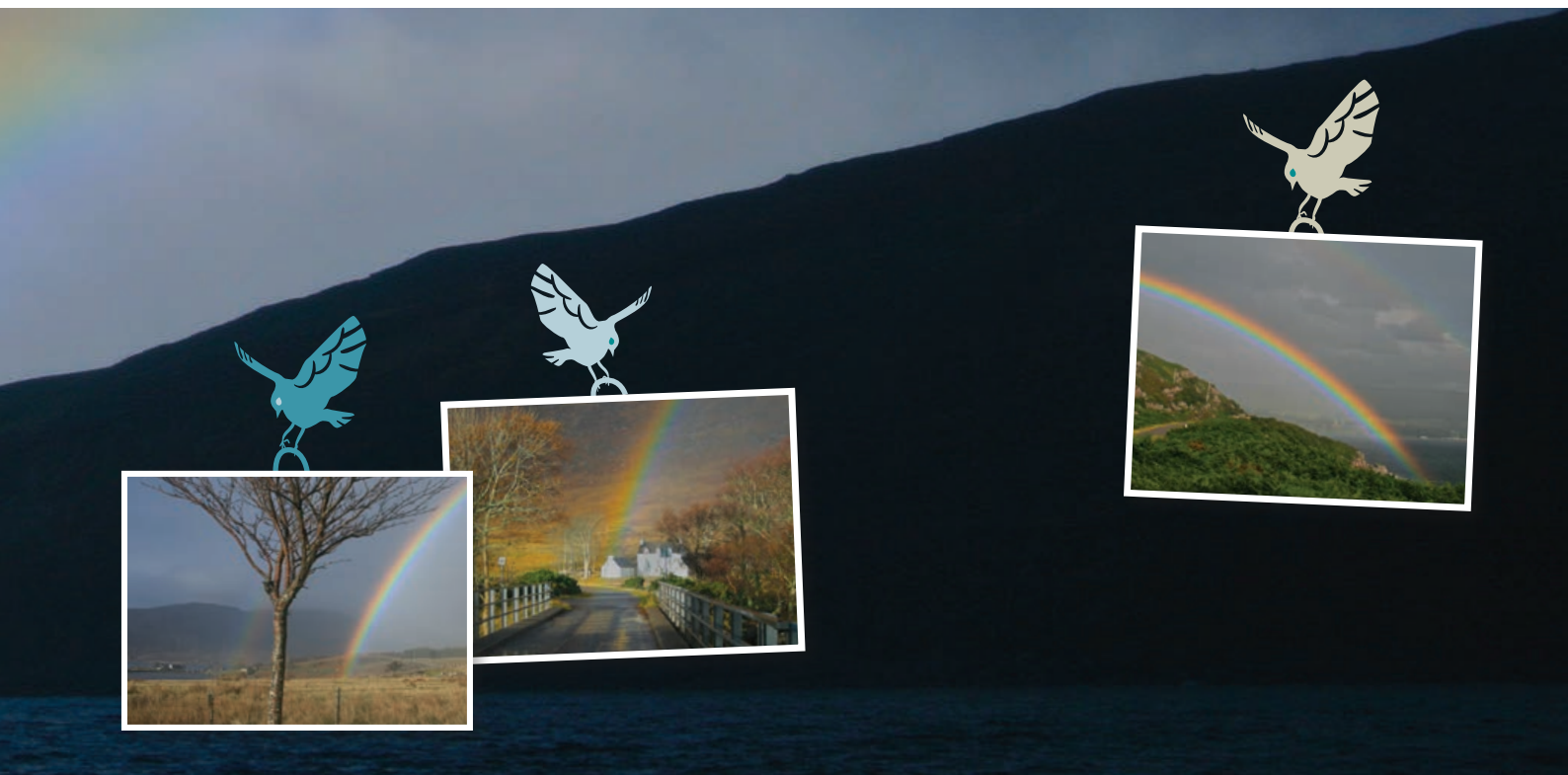
As with any investment there is risk involved. Should **APPLE JUICE** get into financial difficulties:

- 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 **APPLE JUICE** is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally any surplus remaining will be passed on to a charity, society or other asset-locked body serving the Applecross community.

If a member dies the repaid value of the shares will normally be added to the estate for probate purposes. The application form at the end of this document offers the option for you to nominate a recipient for the value of the shares in the event of your death. If you have claimed SEIS tax relief, you will be able to avoid Inheritance Tax on the shares if you include them in your will.

We encourage prospective members to view their investment as a long-term commitment to the project – a one-off investment to generate a long-term financial benefit to yourself and a lifetime of environmental and social benefit to the Applecross community. Shareholders should be prepared to tie up their capital for a number of years. Share capital cannot be withdrawn for the first three years of investment and then thereafter only at the Directors' discretion. Please note, the Directors may resolve at any time to return excess capital to members in the proportions in which they provided it to the society. Also Directors reserve the right to refuse an application for withdrawal of investment to protect the stability of the society's financial position.



Advisers Comhairlichean

- Solicitors:** Calum MacLeod – Harper Macleod (Inverness)
- Accountants:** James Fennessy – Scott Moncrieff (Glasgow)
- Consultants:** Highland Eco-Design Ltd – Wrote the Feasibility Studies
 MNV Consulting Ltd – Hydrology Spinningdale (Callander)
 David Hollings and Gareth Nash – CMS – advice on society rules and share offer document and process
 Jamie Wallace – Highland Eco-Design Limited – detailed design of the hydro scheme
 Sian Scott – An Roth Trading Limited – project management consultancy

Failure to proceed Mura nì sinn adhartas

All monies raised by this share offer, all money donated and all interest-free loans will be held in a holding account until the decision to go ahead with the project has been made.

If a decision **NOT** to go ahead is made, all monies raised through the share offer will be returned **IN FULL** to the parties concerned.

Online Air-loidhne

You can keep up to date with progress through our dedicated website, Facebook page and Twitter account.

www.applecrosshydro.scot

www.facebook.com/ApplecrossCommunityHydro

[@ApplecrossHydro](https://twitter.com/ApplecrossHydro)



About us Mur deidhinn

APPLE JUICE is run by a team of local people, with extensive business expertise and useful experience.

APPLE JUICE has three founder members and a secretary whose details are outlined below:



Judith Fish grew up in Huddersfield, Yorkshire. On leaving school she gained an apprenticeship in the school meals service and after 5 years she was in charge of a production unit supplying 3,000 chilled/transported meals daily. She continued to study part-time for a teacher training degree and supervisory studies qualification. After a gap year abroad, she returned to Huddersfield and ran a small tearoom for 3 years which gave her a taste for self-employment

so she bought the Applecross Inn in January 1989. The Applecross Inn is now a very successful business, and has developed over the years to be the largest employer on the peninsula with over 30 staff. It has won numerous awards and trained many young people who continue in the hospitality trade all over the world. Judith has been a director of **Applecross Community Company** since 2011.



Ewen Gillies has extensive engineering experience having served his apprenticeship in the oil industry and working in the structural steel industry. He also worked for a number of years in the fishing industry. Since moving to Applecross 15 years ago he has set up a marine engineering business building steel work-boats, fishing boats and engineering services for the fish farm industry and local fishing fleet. He employs a number of people and provides

apprenticeships to local youngsters. He is a director of **Applecross Community Company** and treasurer of Applecross Community Council.



Alasdair Macleod was born and brought up on the west coast of Scotland. After four years at Edinburgh University studying History he came back to the family home in Applecross 32 years ago. He is married with four boys and has fished with creels for langoustine for over 35 years. He took part in a successful scallop farming venture and was a member of a scallop marketing cooperative in the 1990s. He now combines working front of

house part-time at the famous Applecross Inn as well as continuing to fish for langoustine. His catch is sold at the Inn. He is chair of Applecross Community Council and treasurer of Applecross Pier Users Association. He is also a director of **Applecross Community Company** and Applecross Community Trading Company. He is an enthusiastic blogger at **applecrosslife**. The Community Company benefits from income from the sale of calendars made up from his photographs.



Alison Macleod is Society Secretary of **APPLE JUICE**. She is also the Local Development Officer for **Applecross Community Company**, a role she took on in July 2011. Prior to that she was the first chair of **Applecross Community Company**. She is a director of Applecross Community Trading Ltd, the trading subsidiary of **ACC**, which runs the filling station and community broadband scheme. Alison is originally from Galloway and studied History at Edinburgh University. She moved to Applecross in 1982 and crewed on a creel boat for two years before bringing up four sons. She worked as an administrator for QinetiQ for five years but much prefers the community-based work she has been engaged in since, including four years as development officer for Raasay House Community Company and several years with Am Bata, which provides training in traditional boatbuilding for school pupils and apprentices. She has completed three modules towards a Masters in Managing Sustainable Rural Development at the University of the Highlands and Islands and hopes to complete this sometime. Alison is a director of the Community Woodlands Association and the West Highland Access Network and was on the board of the Highland Small Communities Housing Trust for three years.



Highland Eco-design Ltd.

In 2009 Jamie Wallace and Mick Bestwick's passion for micro-hydropower, and a strong desire to enable greater deployment of small turbines throughout Scotland, resulted in their formation of Highland Eco-Design Ltd. Since then the Company has successfully secured consents for almost two megawatts (MW) of micro-hydro capacity and expects to have commissioned just over 1.1MW of capacity across 28 installations by the end of 2015.



Highland Eco-Design have worked with **Applecross Community Company** since they carried out initial design studies on three burns in 2009, which immediately identified the potential of Allt Breugach. They designed the hydro scheme, provided support in obtaining permissions and have been involved in local consultations and other events in Applecross over the years. Highland Eco-Design Ltd. were awarded the contract to build the Applecross hydro scheme after an open tender process in March 2015.

Highland Eco-Design is a member of the British Hydropower Association and Scottish Renewables.

Terms and conditions for applying for shares Cumhachan airson earrannan a cheannach

Your application

You cannot withdraw your application for shares after we receive your application form.

Your application may not automatically be accepted and it may not be possible to allocate you all or any of the shares that you requested.

Your application will be considered for approval at the first Directors' meeting after the first and second phase of the share offer has closed. Therefore you should not expect an immediate response.

Your payment

The Directors will acknowledge receipt of your cheque/BACS payment and application within 14 days. They may cash your cheque as soon as it is received. **APPLE JUICE** will hold your money in trust for you until your application is considered.

If your application for shares is unsuccessful, your money will be returned within 28 days of the Board of Directors' meeting. If fewer are issued to you than you applied for, they will return the balance to you within 28 days of that Board of Directors' meeting.

The money will belong to **APPLE JUICE** as soon as **APPLE JUICE** issues shares to you (to the extent that they take it as payment for shares).

APPLE JUICE will not pay you interest on any money it returns to you.

The purchase of shares should be seen as a social investment to support the aims of **APPLE JUICE and not purely as an investment for personal gain or profit.**

Your promise to us

You promise that:

- Your cheque will be honoured on presentation.
- You, as an individual, are at least 16 years of age.
- You have authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it.
- You will supply the Directors with proof of your identity and address if we ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The Directors may have to hold back your shares until they see this.
- You are resident in the United Kingdom.
- You are not relying on any information or representation which is not included in this document.

Data protection

By completing the application for membership you consent to **APPLE JUICE** holding personal data about you in accordance with the Data Protection Act 1998. We do not sell, share or exchange mailing lists.



www.applecrosshydro.scot

 www.facebook.com/ApplecrossCommunityHydro

 @ApplecrossHydro

Financial summary

Geàrr-chunntas ionmhais

APPLECROSS HYDRO PROJECTIONS						
SUMMARY PROFIT AND LOSS	2016	2017	2018	2019	2020	2016–2035
	£	£	£	£	£	£
Gross revenue	57,609	106,356	107,951	109,570	111,214	1,883,112
Operating expenses	–6,170	–13,059	–15,133	–23,050	–23,582	–469,645
Loan interest	–24,555	–36,777	–35,066	–33,184	–31,114	–145,373
Shareholder interest	0	0	–15,200	–15,200	–15,200	–228,000
Depreciation	–20,258	–35,880	–37,397	–37,266	–37,142	–546,142
Bank interest	–596	–58	–327	–386	–426	–16,312
Net profit	6,030	20,582	4,828	484	3,749	477,639
Annual Cash surplus	–12,408	54,565	70,430	78,429	87,083	681,114



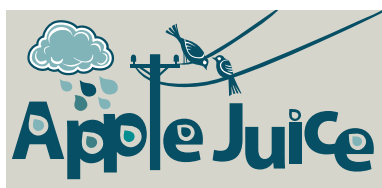
How to invest

Mar a chuireas sibh airgead an seilbh

Complete the appropriate application form enclosed inside this booklet/ downloadable from the website/or contact Alison Macleod and return your completed application form, along with a cheque made payable to **APPLE JUICE (APPLECROSS) Ltd** to **Alison Macleod: The Schoolhouse, Applecross, Strathcarron, Wester Ross IV54 8LU**.

BACS payments can be made to: **APPLE JUICE (APPLECROSS) Ltd**,
sort code **08-92-99**
account number **65756959**

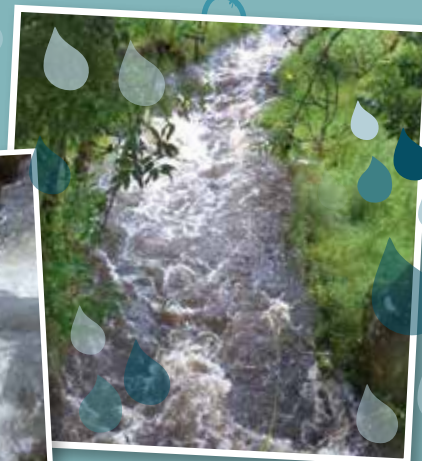
If you do make a BACS payment, please can you let us know by emailing Alison Macleod: alisonapplecross@gmail.com or by telephoning: **01520 744348**. **You must still also send the application form back to us.**



APPLE JUICE is a shortened version of the full Co-operative and Community Benefit Society name **APPLE JUICE (APPLECROSS) Ltd**.



SHARE OFFER
TAIRGSE-EARRANN



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Co-operative and Community Benefit Society Registration Number 7022