

EXTENDED TO  
31 DECEMBER 2026

# HUMSHAUGH COMMUNITY SOLAR PROJECT

£400,000 SHARE OFFER

1<sup>st</sup> NOVEMBER 2025





## **Invest in Humshaugh Community Solar Limited**

Your opportunity to make a positive change in reducing the carbon emissions of Humshaugh Parish and, with the anticipated **2,000** solar panels installed, generate more than **1,000,000 kWh** of electricity (or more than **50%** of the electricity used in the village), at the same time saving over **217 tonnes** of **CO<sub>2</sub>** or **4%** of the carbon emissions within the parish. This **£1.8 million** project expects to return at least **£200,000** over the project lifetime to **LOCAL** initiatives as well as to return your investment with interest. Let's show Government what really can be done locally!!

**Your opportunity to make a difference for future generations NOW!**



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## 1. Why invest in this project?

### ☀️ Take action on climate change now

- o Invest in a low-carbon, electricity generation scheme.
- o Do not wait for sluggish Government action on climate change.

### ☀️ Support community action

- o Profits from the project will go into a community fund for energy efficiency measures, low carbon technologies, reducing fuel poverty and supporting other community groups fighting climate change.
- o Working together for a better future.

### ☀️ Build a more resilient economy

- o Solar generated electricity is not dependent on imports, only the sun.

### ☀️ Align your investment strategy with your values

- o Invest in a community led project to address climate change.
- o Community benefit societies, (such as Humshaugh Community Solar Limited) are open to scrutiny and have rules to ensure responsible governance.

### ☀️ Future generations

- o Show them you care about the planet and lifestyle they will inherit.

### ☀️ Summary of offer

|                                                                                              |                                                                                |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| An offer of up to 400,000 Community Shares in the Society each with a nominal value of £1.00 |                                                                                |
| Minimum target to be raised                                                                  | £160,000                                                                       |
| Maximum target to be raised                                                                  | £400,000                                                                       |
| Minimum investment                                                                           | £100                                                                           |
| Maximum investment                                                                           | £40,000 (individual)<br>£100,000 (institutional)                               |
| Target interest, paid annually                                                               | 3% from 2028 onwards<br>subject to construction of<br>the solar farm in 2025/6 |
| Offer opened                                                                                 | 1 <sup>st</sup> November 2025                                                  |
| Offer closes                                                                                 | 31 <sup>st</sup> August 2026                                                   |

### Prospective Investors should study this document carefully

You should buy shares only with money you can afford to have tied up, without interest, and without capital appreciation, for several years or longer and with money that you are prepared to lose. Should Humshaugh Community Solar Limited (HCSL) get into difficulty, you may be unable to withdraw and/or could lose some or all of your money. You have no right to compensation from the Financial Services Compensation Scheme, nor right of any complaint to the Financial Ombudsman Service.



## Important Information

This invitation to subscribe for community shares in the Society, Humshaugh Community Solar Limited (HCSL), is not regulated by the Financial Services and Markets Act 2000 or subsidiary. The money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

HCSL shares are not “controlled investments” for the purposes of the Financial Services and Markets Act 2000. As an investor you do not therefore have the level of protection that you might otherwise be offered by that Act. In particular, this document does not need approval (and has not been approved) by an “approved person” under the Financial Services and Markets Act 2000.

This Share Offer is also not regulated by the Prospectus Rules. The Prospectus Rules do not apply because the Society is not issuing transferrable securities. In addition, the Offer is exempt because the funds raised will be used solely for the purposes of the Society objectives as set out in this Share Offer document.

*In making an Application you are making an irrevocable offer to enter into a contract with the Society.*

*Under Money Laundering Regulations, you may be required to produce evidence of your identity and it is a condition of this Offer that you do so as requested. Non-UK residents must take responsibility for ensuring that there are no laws or regulations in their own country that would prevent them from investing in or receiving income from a UK Society such as Humshaugh Community Solar Limited.*



## 2. Letter from the Board of Directors

We are delighted to introduce our share offer to you for Humshaugh Community Solar Limited (HCSL). We aim to raise capital needed for funding this project. This will provide both green electricity towards our Net Zero target and provide community funds for further Net Zero projects in the Parish of Humshaugh and, potentially, the surrounding area.

The initial share offer, dated June 2024, has now expired. Through this, pledges for over £108,000 were received. However, delays to finalising the total funding package of grants and loans has meant that the date of financial close and when we could draw down on payments for shares has had to be changed. We launched a second share offer in June 2025. As we have now added a battery energy system storage to the project, we need to launch this revised share offer to commence November 2025. We have also sourced new funding. We are confident that we will achieve the minimum share pledges of £160,000. We are close to finalising the loan offer and that this will be completed by December 2025.

The solar farm will be located to the west of Humshaugh village, near the hamlet of Lincoln Hill. We have secured an option to lease a site where we can build a 1MW solar project with a battery energy storage system (1MW, 2MWh) (BESS). Full planning permission has been obtained. A grid connection offer has been obtained from Northern Powergrid.

The overall project cost will be about £1,800,000. We are seeking finance from community shareholders through this share issue. In addition, we are currently in negotiations with national and regional grant-awarding organisations, and with other financial institutions for short-term and long-term loans.

We aim to pay an interest rate of 3% *per annum* on the community shares after 2 years of operation and to repay the face value of the shares within the lifetime of the solar farm, estimated to be 25 years, as funds become available.

Community-owned energy projects offer individuals the opportunity to be part of action to reduce carbon emissions. As an investor you would become a member of Humshaugh Community Solar Limited.

We hope you see this share offer as an opportunity for you to contribute to actions against climate change and help us all move towards Net Zero in a timely manner. We want to be as inclusive as possible and therefore our offer is open to those who wish to invest £100 as a minimum. For shares up to £1,000 we can accept payments made in instalments over a 12 month period. We would agree a payment plan with individuals.

If the minimum shareholder investment is not reached, all potential investors who have submitted share application forms will be informed and released from their commitment to invest. The Directors will authorise the project to commence when the necessary funds are in place and the minimum of £160,000 share target has been achieved.

There are a number of community benefit societies which now exist to develop, own and manage facilities for the generation of renewable energy. Using the society structure means the local community can invest in the projects, have a say over how they are developed and benefit from profits generated being reinvested in local community projects.

David Still  
David Newell

Bill Grainger  
Nick Hayward     1<sup>st</sup> November 2025



### 3. Summary

This document describes an exciting, community-based project to produce low-carbon electricity from solar energy in the Parish of Humshaugh and provides financial information on the project to help you to consider whether to invest. Humshaugh Community Solar Limited (HCSL) has been formed by Humshaugh Net Zero CIC (HNZ) as a Community Benefit Society (CBS) to own and operate this electricity-generating solar farm with associated battery energy storage system near Lincoln Hill.

In the context of the climate emergency declared by Northumberland County Council in 2019 and by Humshaugh Parish Council in 2020, Humshaugh Community Solar Limited is the first stage of an ambitious plan to make the parish carbon Net Zero by 2030. This one-megawatt solar farm should reduce the Parish's carbon dioxide emissions by around 4%. This matches the emissions associated with the electricity used in the Parish in 2020.



Figure 1 Site Location

The land lease for the site is secured, quotes for the supply and installation of the equipment and grid connection have been received, and the organisational framework is established. The project is ready to go once finance is in place.

The overall project cost will be about £1,800,000. The funding is likely to come from three sources – local investors (through this share offer), grants and loans.

An initial share issue is being offered of 400,000 one pound shares. HCSL expects that, on these shares, an annual interest of 3% would be paid from the close of the second year of generation and financial year end, assuming the solar farm is built in 2025/26. The shares would be repaid at face value when finances permit.

Shares offered are known as community or “withdrawable” shares. This means they cannot be transferred, only repaid (withdrawn) by HCSL.

This share offer is designed to provide the community centred on Humshaugh the opportunity to take a financial stake in cleaner, greener, renewable energy generation and to move the Parish towards its Carbon Net Zero target.

Similar community-based solar projects have been developed in other parts of the UK. This will be one of the first in the North-East of England and, hopefully, will be replicated by other groups.



## 4. Project Information

### 4.1 Background

In 2020 residents of Humshaugh formed Humshaugh Net Zero Community Interest Company (HNZ). This organisation was formed to lead on actions aimed at achieving a target of Net Zero carbon emissions in the Parish by 2030. HNZ's first project was to establish, via a householder survey, a baseline for the carbon emissions of the Parish.

Subsequent feasibility studies initiated by HNZ identified actions that could be taken to achieve the Net Zero target. One opportunity was for the community to develop, own and operate a solar farm within the Parish. HNZ identified a suitable site and agreed commercial terms for a lease of that site with the landowner. HNZ attracted development grant funding from the Rural Community Energy Fund. A planning application for the solar farm was made in August 2022 and permission was granted in July 2023. A grid connection application was submitted, and an offer received in December 2023. HNZ was set up as a campaigning organisation and not to have ownership of assets. A review found that the most suitable type of organisation to run this community energy project was a Community Benefit Society (CBS).

Humshaugh Community Solar Limited (HCSL) is a Community Benefit Society registered with the Financial Conduct Authority (FCA). The FCA, in its guidance, says that a CBS's business must be conducted "*entirely for the benefit of the community...*" with no alternative or secondary purposes, including any that may preferentially benefit the members. The FCA also says "*it is not usually appropriate for a community benefit society to give any particular group of members greater rights or benefits, because the society must be conducting its business for the*

*benefit of the community. So, for example, we would expect to see community benefit societies run democratically on the basis of one-member-one-vote".* Any profit made by a community benefit society must be used for the benefit of the community. Profits cannot be distributed to the members of a community benefit society. However, interest on share capital can be paid as an operating expense and should be subject to a declared maximum rate (being a rate that is no higher than that required to obtain and retain the investment). HCSL would seek to provide an annual return for investors after the first two years of the project operation and use surpluses to provide local community benefits through its Community Fund.

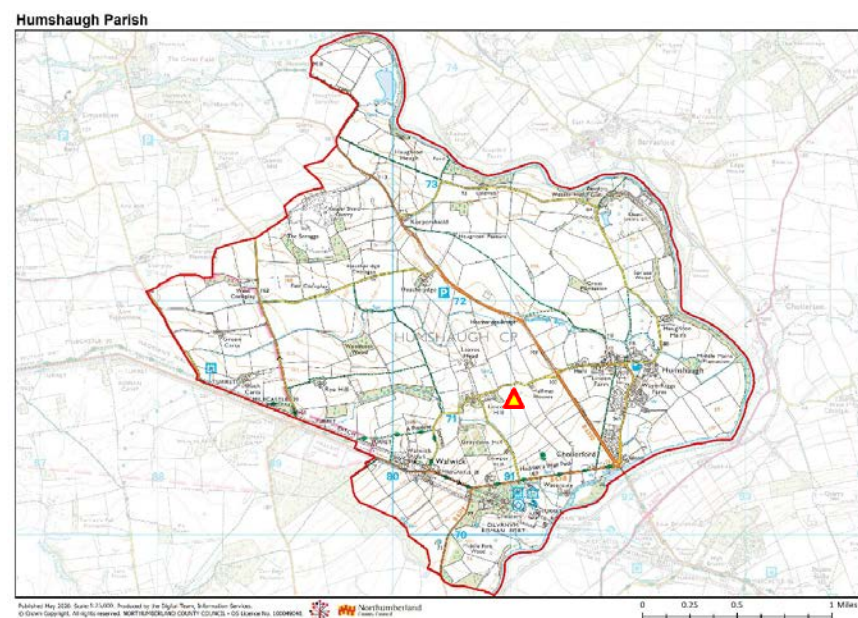


Figure 2 Humshaugh Parish



## 4.2 The Solar Farm

The site is a one-hectare parcel of poor-quality farmland. It seems waste was dumped here from the adjacent limestone quarry several hundred years ago.

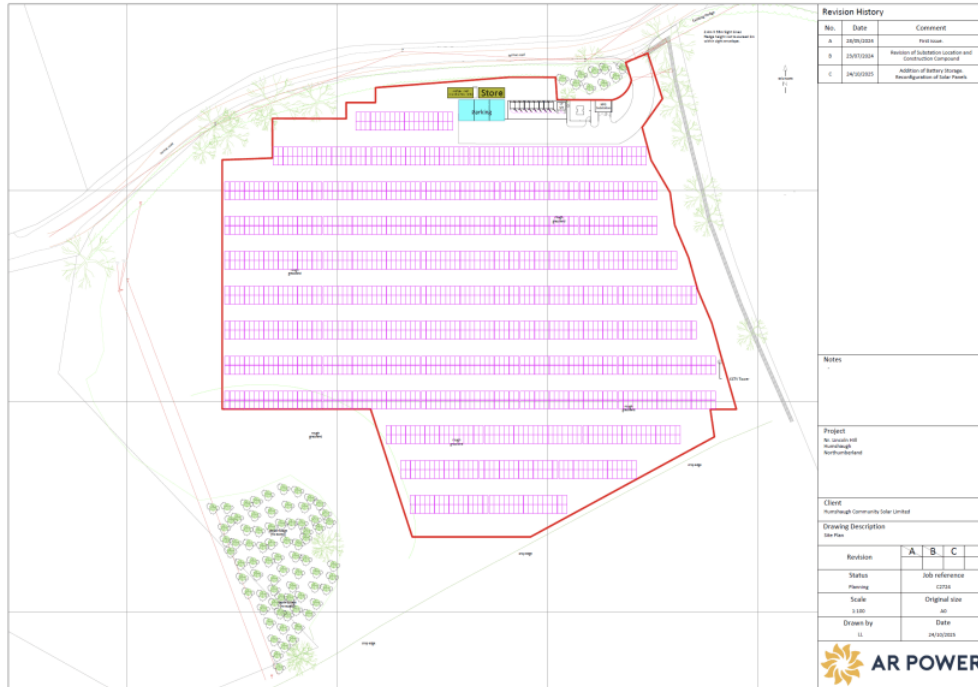


Figure 3 Site layout

The project will consist of about 2,000 solar panels mounted on ground-mounted frames. They will be arranged in a number of strings. At the end of each string there will be an inverter that will convert the 400V dc electricity generated to 400V ac. The strings will be linked together in the substation. A 1MW, 2MWh BESS will also be installed. The substation will be connected to the Northern Powergrid 20kV electricity distribution grid via a transformer. The substation will also contain the import & export meters to monitor electricity production. The site will be fenced

and monitored by CCTV. Access to the site, from the unmarked road running along the northern boundary, will be improved to allow safe access during construction.

The site is expected to export over 1,100,000 kWh of electricity each year. If this was imported from the national grid, 217 tonnes of carbon emissions would have been produced per year.



Figure 4 Site entrance



### 4.3 Sale of Electricity

The electricity from the project will be sold to one of the large electricity retailers under a Power Purchase Agreement (PPA) for an agreed period of between one to three years. “Green” electricity currently attracts a slight price premium and indications are that the price available will make the scheme profitable. There are many options for selling the power after the initial 3 years. Ideally, we would like to sell the power locally, but this needs changes to regulations affecting the way electricity is traded. These changes are possible within 3 years.



Figure 5 Trial Pits

### 4.4 Risk Reduction

Solar farms have been built all over the UK; the technology and installation techniques are well established. To reduce uncertainty over the cost of the installation, a ground investigation survey has already been carried out to see what foundation type would be most suitable. The potential contractors have been supplied with this information. A detailed site height survey has also been undertaken to facilitate the installer arranging the panels to capture as much energy as possible.

### 4.5 Community Benefit Fund

We expect the project to generate more income than is required to meet the loan repayments, the operating costs, the return to shareholders (by way of interest) and savings to build up reserves to repay the shareholders’ investment within the lifetime of project. This surplus, expected to be around £10,000 a year after three years, will go into a community fund to support local energy efficiency, fuel-poverty reduction and conservation measures.

### 4.6 A “Nature Positive” Development

Importantly, work will also be carried out at the site to improve its biodiversity. Hedging will be laid/improved, a wetland area created, wildflower seeds sown, and raptor boxes installed. The aim is for this to be a Nature Positive development.

(see <https://www.naturepositive.org/app/uploads/2024/02/The-Definition-of-Nature-Positive.pdf> for details of this concept).



## 4.7 Future Developments

Potentially, in the next few years, the regulations over local electricity trading will change and allow the electrical output to be sold directly to the local community. In that event HCSL could sell the electricity produced by the solar farm locally at a price greater than that under a conventional PPA – benefitting HCSL – but lower than the normal domestic tariff – benefitting the community.

A report on this project will be prepared to help other community groups. Visits from other groups to the site, and talks to groups about the project, are envisaged in the first few years.

## 4.8 History of Project Development

This project was developed by Humshaugh Net Zero CIC (HNZ) and funding to date has been an unsecured loan of £6,000 from Humshaugh Net Zero CIC. This money has been used to obtain legal and accounting advice for establishing the society.

Funding to obtain the planning permission and land agreements has been provided by Humshaugh Net Zero CIC. This will be repaid on reaching financial close.

## 4.9 Current Financial Position

The Society was formed in June 2024. The first accounts were prepared to 31<sup>st</sup> December 2024. The loss at the end of that period was £3595 due to payments made for legal and accounting advice for setting up the society.

These payments were funded from an unsecured loan.

The Annual Accounts are published on the mutuals public register.  
<https://mutuals.fca.org.uk/Search/Society/31630>

They will also be presented to each AGM.



*Figure 6 View from the site*



## 5. Important Information

Humshaugh Community Solar Limited is a Community Benefit Society, registered with the Financial Conduct Authority (No 9230) under the Co-operative and Community Benefit Societies Act 2014. Registered office: 10 Beechcroft, Humshaugh, Hexham, NE46 4DN. The Society is registered for VAT.

The way the Society is run is described in our governing document 'The Rules' (see website). The Society has an "Asset Lock" which means we cannot distribute profits or assets to Members (or use our profits or assets in a way which does not benefit the community), and, if we close down the society, we must pass our remaining assets to another asset locked community organisation. The "Asset Lock" is embedded in the Society's rules and cannot be removed. Paying interest on shares is an operating expense before profit.

We will ensure that:

- The offer document and application form are easy to understand.
- You are provided with all the facts you need to make an informed decision.
- The facts are supported by the annual accounts and/or business plan for the Society.
- Nothing in this offer document is purposefully incorrect, confusing or misleading and the board has undertaken a detailed verification exercise to ensure that this is the case.

The business plan is at <https://humshaughsolar.org/share-offer>

### **Prospective Investors should study this document carefully.**

This invitation to subscribe for community shares in HCSL is not regulated by the Financial Services and Markets Act 2000 or subsidiary regulations, to the extent that it is selling and issuing withdrawable shares. Therefore, the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

HCSL shares are not "controlled investments" for the purposes of the Financial Services and Markets Act 2000. As an investor you do not therefore have the level of protection that you might otherwise be offered by that Act. In particular, this document does not need approval (and has not been approved) by an "approved person" under the Financial Services and Markets Act 2000.

This Share Offer is not regulated by the Prospectus Rules. The Prospectus Rules do not apply because the Society is not issuing transferrable securities. In addition, the Offer is exempt because the funds raised will be used solely for the purposes of the Society objectives as set out in this Share Offer document.

You should buy shares only with money you can afford to have tied up, without interest, and without capital appreciation, for several years or longer and with money that you are prepared to lose. Should HCSL get into difficulty, you may be unable to withdraw and/or could lose some or all of your money.



## 6. Share Offer Summary & Key Offer Terms

An offer of up to 400,000 Community Shares in the Society each with a nominal value of £1.00

|                               |                                                                                                                                                                                                                                                                                               |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum target to be raised   | £160,000                                                                                                                                                                                                                                                                                      |
| Maximum target to be raised   | £400,000                                                                                                                                                                                                                                                                                      |
| Minimum investment            | £100                                                                                                                                                                                                                                                                                          |
| Maximum investment            | £40,000 (individual)<br>£100,00 (institutional)                                                                                                                                                                                                                                               |
| Target interest paid annually | 3% after second full year of generation subject to construction of the solar farm in 2025/6                                                                                                                                                                                                   |
| Offer opened                  | 1 <sup>st</sup> November 2025                                                                                                                                                                                                                                                                 |
| Offer closes                  | 31 <sup>st</sup> August 2026                                                                                                                                                                                                                                                                  |
| Investment type               | Withdrawable community shares. These cannot be sold, traded or transferred between Members or to any other person, unlike the 'transferable' shares typical of a limited company. Only Humshaugh Community Solar Limited (HCSL) can repay them at the same value at which they were invested. |
| Interest payment dates        | Paid annually, after the end of the second full year of generation and end of financial year (2028), subject to available funds.                                                                                                                                                              |
| Payment of share interest     | HCSL's current policy is to pay share interest to Members by bank transfer.                                                                                                                                                                                                                   |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest calculation                  | Our financial year runs 1 Jan to 31 Dec. Interest is calculated on the balance held at the end of the financial year, and the proposal to pay out to Members is raised at the following AGM and payment is made after that.                                                                                                                                                        |
| Voting                                | Membership of the Society is afforded to holders of community shares. HCSL operates on a one member, one vote principle regardless of the size of the member's shareholding.                                                                                                                                                                                                       |
| Eligibility for membership            | The offer is open to individuals over the age of 16, trust funds and other organisations.                                                                                                                                                                                                                                                                                          |
| Withdrawal of shares                  | Shares bought in this share offer cannot be withdrawn until January 2031 subject to construction in 2025/26. The withdrawal of funds is then subject to 3 months' notice after a request is made. The Directors reserve the right to suspend withdrawals should there be insufficient funds to make repayments.<br><br>One share (the membership share) of £1 is not withdrawable. |
| Value of Shares                       | The value of shares bought in this share offer will never exceed their face value of £1. They can reduce in value in certain circumstances.                                                                                                                                                                                                                                        |
| Failure to raise the minimum £160,000 | If the minimum shareholder investment is not reached, all potential investors who have submitted share application forms will be informed and released from their commitment to invest.                                                                                                                                                                                            |
| Share Payment Instalments             | There is an option for share purchase of £1,000 or less to be made by instalments over 1 year. See the application form.                                                                                                                                                                                                                                                           |



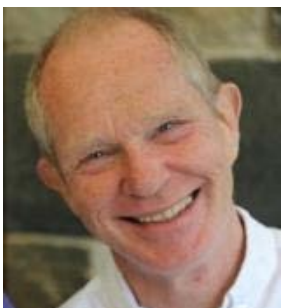
## 7. Board Management & Operations

### David Still CBE



David has lived in the Tyne Valley since 1984, and in Humshaugh since 2017. He has worked in the renewables sector since 1984, developing and building projects, working as a government adviser, and has been involved in innovative projects such as the UK's first offshore wind farm at Blyth. He has extensive commercial experience of financial modelling and fund raising. He is experienced as a Director of several companies including Northumberland Community Energy Limited.

### Bill Grainger



Bill has lived at Lincoln Hill for 39 years. During this time, he has worked on the development of renewable energy projects as an engineer, alongside David Still, and is familiar with the construction and operation of projects of this scale. Bill is a Chartered Engineer and a Chartered Member of the Institution of Occupational Safety and Health. He has served as a director of several companies. Locally, he has been a Chair of the Governors of Humshaugh CoE First School.

### David (Herbie) Newell CBE



Herbie is a pharmacologist with 45 years' experience in cancer research. He moved to Humshaugh in 1989 and is currently Chair of Governors at Humshaugh First School and Chair of Humshaugh Parish Council. At Newcastle University he was the lead academic in establishing the £12.5M Northern Institute for Cancer Research and has served in senior roles at Cancer Research UK and the Medical Research Council. Herbie was a member of the team that discovered and developed carboplatin, the drug most frequently prescribed for the treatment of cancer.

### Nick Hayward



Nick has lived in Humshaugh for 28 years and spent his professional life in education, teaching abroad in Germany and later in the USA. He took early retirement from Northumbria University in 2015 and has been active locally as a volunteer in projects related to music, sports & green issues. He has had experience in successfully applying for grant funding for local projects, from improving countryside access to maintaining & enhancing local sports' facilities.



**Francis Nohl  
(Fran)**



Fran has been a resident of Humshaugh Parish since 1996. After a career as an NHS consultant and Honorary Clinical Senior Lecturer at Newcastle University, he retired in 2021. He now serves as a Parish Councillor and is deeply committed to community initiatives addressing climate change. Fran is an active member of Humshaugh Net Zero, a Community Interest Company dedicated to achieving net-zero carbon emissions in the Parish by 2030 through a variety of local projects

**Rhona Still**



Rhona is the Society Secretary. She has a strong experience of working within and supporting charitable and social economy organisations including co-operatives. She has a detailed knowledge and understanding of the regulatory and governance frameworks and operational practice within which charities, social enterprises and co-operatives operate.

## 7.1 Governance

The Society is owned by its members (shareholders) on a one member one vote basis. The members have the right to vote in general meetings and will elect the Board of Directors from amongst the members. The voice and involvement of the members is important and it is hoped that all shareholders will take an active part in meetings and other activities of the Society.

The Society will seek to abide by and operate in accordance with Co-operative Values and Principles.

For further information on the Society governance see:  
<https://humshaughsolar.org/community-benefit-society>

## 7.2 Management

The solar farm will be managed by the Board of Directors, who collectively have the experience of handling the finance of a project of this scale, running small companies and negotiating the sale of electricity.

The Board will appoint a suitable organisation to manage the day-to-day contracts of HCSL including billing and keeping the financial accounts for HCSL.

The current Board is:  
David Still, Bill Grainger, David Newell, Francis Nohl and Nick Hayward.  
The Society Secretary is Rhona Still.

Directors will be elected by the Members at Annual General Meetings.



### 7.3 Operations

This will follow on from the installation contract and will link with the warranty provided. A north-east of England company will carry out the maintenance of the solar panels. CCTV cameras will be installed on the site to provide security.

There is a requirement to maintain the land around the solar panels – this includes grass cutting. In addition, the solar panels will be washed as required. On a regular basis the electrical equipment will be inspected. A monitoring (SCADA) system will be active and will be capable of detecting changes in the output of the solar farm caused by any component degradation.



## 8. Finance Summary

Sufficient money to fund this project will have to be raised from shareholders, loans and grants before it can be built. It will take about eight months from when the go-ahead is given for the construction of the solar farm until it is generating electricity and hence revenue. The income earned will pay the running costs of the solar farm, the repayments on loans, the return to shareholders, the community fund and accumulate a fund to repay the shareholders investment.

### 8.1 Capital Costs

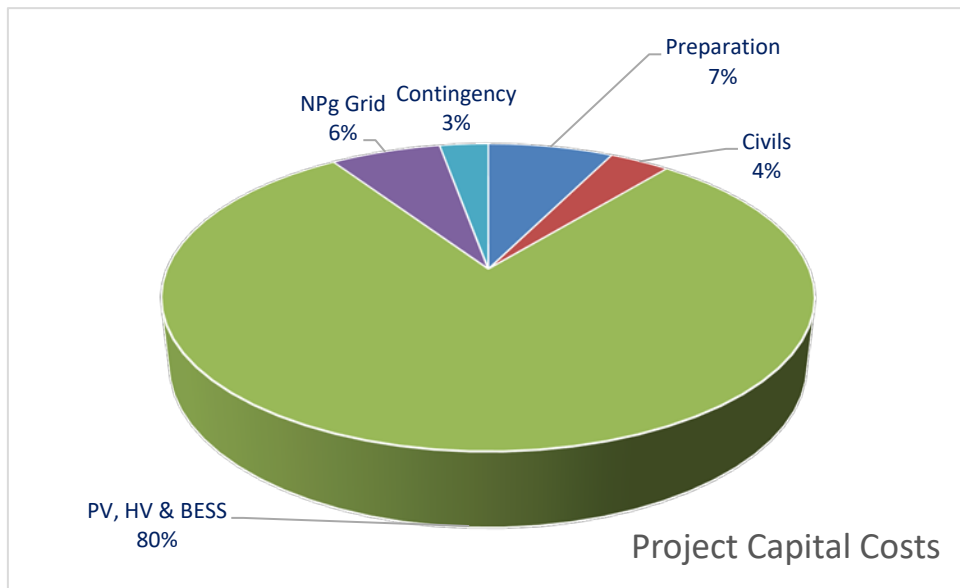


Figure 7 Capital Costs

There are five elements making up the capital costs of the project (estimated to be around £1.8 million): **Site Development** (Negotiating lease, planning application); Management, supply, installation & commissioning of the **PV panels and infrastructure** (tracks, the support frame, power electronics and the electrical works connecting the panels); the **High Voltage (HV) Electrical** works to transform the output to match the grid voltage; the **Grid** connection to the Northern Powergrid network; and a **Contingency** to cover the unanticipated. These are shown in Figure 7 Capital Costs.

### 8.2 Funding

Discussions have taken place with funders and they indicate that they may be able to provide a loan of £1.6 million. The plan is to raise at least £160,000 from shareholders. This is shown in Figure 8 Funding Sources below.

An additional loan has been offered to cover the short term requirements of advance payments on the grid and to cover the VAT until it is reclaimed.

A detailed financial model for the project has been prepared based upon best industry practice, following the guidelines of "The Community Shares Standard Mark" - (<https://www.uk.coop/start-new-co-op/support/community-shares/standards>)

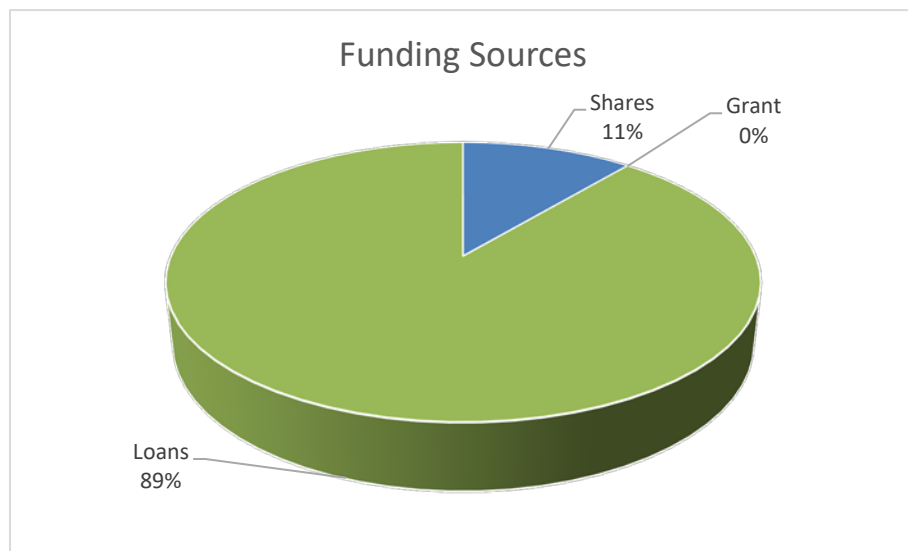


Figure 8 Funding Sources

### 8.3 Operational Cost

The operating costs of the project have been obtained from the relevant potential suppliers and will be of the order of £35,000 a year subject to inflation. These will cover rent, business rates, management of the project, insurances, accounting, CCTV monitoring, and preventative fault maintenance.

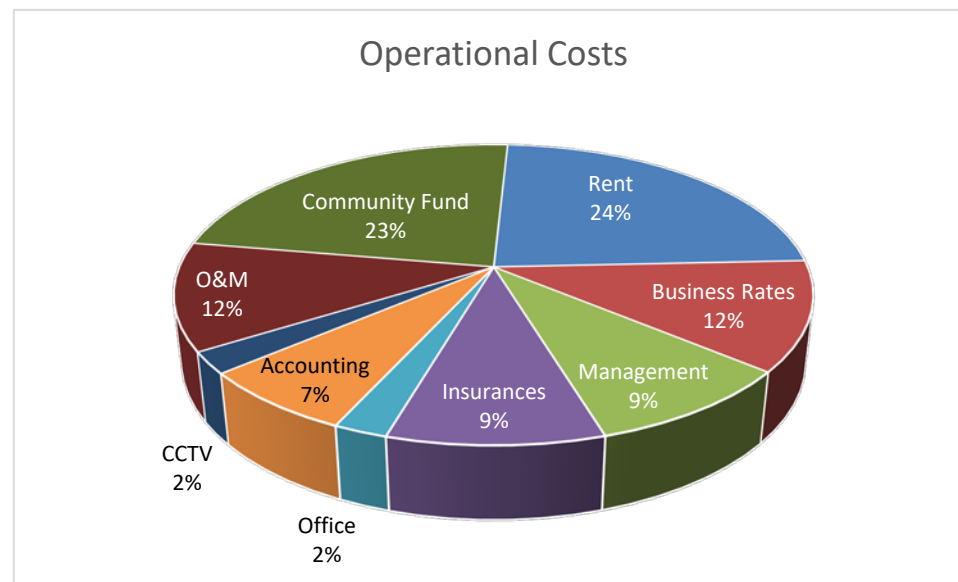


Figure 9 Operating Costs

### 8.4 Revenue

The income to support the project will come from the sale of electricity generated.

Various potential suppliers have estimated the annual output from the solar farm. They all predict a figure of around 1,100,000 kWh (units) per year net of losses in cabling, power electronics and maintenance outages. This will decrease slightly as the panels age, and this has been accounted for as well.



The project has been offered a power purchase agreement (PPA) of 9 p/kWh for three years and the financial model has been based on this. PPA prices have fluctuated recently and are currently at a low point. The solar industry expects PPAs to rise in the future as policies are put in place to support low carbon generation to meet the Net Zero Agenda.

(It is not possible to sell the electricity directly to the local community under the current regulatory regime. See our website for more information on this future option.)

We believe that better PPAs will be available, in the next 10 years, to allow the project to receive enhanced income. This would allow more benefit to be given to the Community Fund. It could also allow the project to repay the loans earlier, as well as the capital of shareholders.

The financial projections, below in Figure 10 Financial Summary (all figures £'000) show the overall financials for the project for 25 years.



# Humshaugh Community Solar Limited

## SHARE OFFER DOCUMENT NOVEMBER 2025

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### HUMSHAUGH COMMUNITY SOLAR PROJECT

#### FINANCIAL PROJECTIONS

November 2025

|                             | 2025    | 2026 | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  | 2036  | 2037  | 2038  | 2039  | 2040  | 2041  | 2042  | 2043  | 2044  | 2045  | 2046  | 2047  | 2048 | 2049  |  |
|-----------------------------|---------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|--|
| CAPITAL £k                  |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Share receipts              | 160     | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | (160) |  |
| Grants                      | 0       |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Loan - short term           | 0       | 0    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Loan - long term            | (1,600) | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | (470) | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     |  |
| Total                       | (1,440) | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | (470) | 0     | 0     | 0     | 0     | 0     | 0     | 0    | (160) |  |
| REVENUE £K                  |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Income                      | 0       | 159  | 158   | 168   | 169   | 169   | 169   | 169   | 169   | 170   | 170   | 170   | 170   | 171   | 171   | 171   | 171   | 172   | 172   | 172   | 172   | 173   | 173   | 173  | 174   |  |
| Grant                       | 0       | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     |  |
| Community fund              | 0       | 0    | 0     | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10)  | (10) | (10)  |  |
| Operating costs             | 0       | (32) | (32)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (34)  | (34)  | (34)  | (34)  | (34) | (34)  |  |
| Gross profit                | 0       | 126  | 126   | 125   | 125   | 126   | 126   | 126   | 126   | 126   | 127   | 127   | 127   | 127   | 128   | 128   | 128   | 128   | 129   | 129   | 129   | 129   | 129   | 130  | 130   |  |
|                             |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Interest                    | 0       | (6)  | (73)  | (72)  | (71)  | (69)  | (68)  | (66)  | (65)  | (63)  | (62)  | (60)  | (58)  | (56)  | (54)  | (52)  | (71)  | (68)  | (65)  | (62)  | (59)  | (55)  | (51)  | (47) | (43)  |  |
| Depreciation                | 0       | (85) | (81)  | (77)  | (73)  | (70)  | (66)  | (63)  | (60)  | (57)  | (54)  | (52)  | (49)  | (47)  | (44)  | (42)  | (66)  | (63)  | (60)  | (57)  | (54)  | (51)  | (49)  | (46) | (44)  |  |
|                             |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Member interest             | 0       | 0    | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)   | (5)  | (5)   |  |
| Taxation                    | 0       | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     |  |
|                             |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| SURPLUS £k                  | 0       | 35   | (32)  | (28)  | (23)  | (18)  | (13)  | (8)   | (3)   | 1     | 6     | 11    | 15    | 20    | 24    | 29    | (14)  | (8)   | (1)   | 5     | 12    | 18    | 25    | 31   | 38    |  |
|                             |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| CASH FLOW £k                |         |      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |       |  |
| Debtors                     | 0       | 147  | 190   | 199   | 202   | 202   | 203   | 203   | 203   | 204   | 204   | 204   | 205   | 205   | 205   | 205   | 206   | 206   | 206   | 207   | 207   | 207   | 208   | 208  | 208   |  |
| Creditors                   | 0       | (38) | (113) | (123) | (121) | (120) | (119) | (117) | (116) | (114) | (113) | (111) | (109) | (107) | (105) | (103) | (122) | (119) | (116) | (113) | (110) | (106) | (102) | (99) | (95)  |  |
| VAT                         | 348     | (30) | (30)  | (32)  | (32)  | (32)  | (32)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | 73    | (33)  | (33)  | (33)  | (33)  | (33)  | (33)  | (33) | (33)  |  |
| Loan Repayments             | 0       | (2)  | (25)  | (27)  | (28)  | (29)  | (31)  | (32)  | (34)  | (35)  | (37)  | (38)  | (40)  | (42)  | (44)  | (46)  | (63)  | (66)  | (69)  | (72)  | (76)  | (79)  | (83)  | (87) | (91)  |  |
| Share capital               | 160     | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | (160) |  |
| Invested/Repaid             | 1,600   | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 470   | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     |  |
| Capital expenditure inc VAT | (2,088) | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | (634) | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     |  |
| Annual Cash Flow            | 20      | 76   | 22    | 17    | 21    | 21    | 21    | 21    | 21    | 22    | 22    | 22    | 22    | 23    | 23    | 23    | (71)  | (12)  | (12)  | (12)  | (12)  | (11)  | (11)  | (11) | (171) |  |
| Cash @ bank                 | 20      | 96   | 118   | 135   | 156   | 177   | 198   | 219   | 241   | 262   | 284   | 306   | 329   | 351   | 374   | 397   | 327   | 314   | 302   | 290   | 278   | 267   | 256   | 245  | 74    |  |

Figure 10 Financial Summary (all figures £'000)



## 9. Withdrawing Your Money

- There will be no withdrawals in the first five years. After that date shares may be withdrawn by Members upon giving three months' notice in writing to HCSL. However, the following conditions will apply to all withdrawal requests:
- All withdrawals shall be paid in the order in which the notices were received by the Society.
- A Member shall not be entitled to withdraw shares which would leave them with less than the minimum shareholding unless they intend to terminate their membership of the Society.
- The Board may waive the notice required for a withdrawal and may direct payment to be made without notice, or on such shorter notice, as they consider fit.
- The Board may, at its sole discretion, suspend the right to withdraw either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board.
- During any period when the right of withdrawal has been suspended under the provision immediately above, the shares of deceased Members may, if the Board agrees, be withdrawn by their personal representatives upon giving such notice as the Board may require.
- The amount to be paid to a Member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction in their value in accordance with the provisions of the rules of the Society.
- Interest shall be payable on any share in respect of which notice of withdrawal has been received by the Society, until the date of repayment.
- Shares are withdrawable only. They shall only be transferable by a member on the death or bankruptcy of that member.



## 10. Risks

- All financial investments carry risks and this project is no exception.
  - We have made every effort to minimise these risks.
  - The risks associated with a solar farm are well known and the commercial lenders will assess the specific risks for this project based on their experience of similar projects.
  - The key risks are lower power purchase price, solar resource overestimate, construction cost overruns, equipment failure, higher operational costs and higher development costs.
  - We will have in place a power purchase agreement (PPA) for three years initially at a fixed rate. This will provide initial certainty and the time to plan the future. The lenders will also be involved in reviewing the initial and subsequent PPAs.
  - The solar resource is estimated using standard industry practice. We do not expect significant variations in solar insolation. We have allowed for annual reductions in solar panel efficiencies based on manufacturer's warranties.
  - Construction cost overruns will be mitigated by ensuring that we use fixed price contracts. When we place contracts, this will fix the capital costs of equipment, which are the major component of the costs. We will work with contractors with a good working experience of delivering projects on time and to budget.
  - Equipment reliability is key. Solar panels have a 25 year expected life, and we will keep spare solar panels on site and a spare inverter.
  - Operational costs will be closely monitored. Initially the project will be operated by experienced, renewable energy project managers, based in the village.
  - Development costs for a project can be uncertain. However we have already secured land agreements for the site and the planning permission, and we have included these funding costs in the budget.
  - We are working with experienced advisers to provide us with legal and accounting advice.
  - A detailed financial model for the project has been prepared based upon best industry practice, following the guidelines of "The Community Shares Standard Mark".
- We have ensured that:
- The offer document and application form are easy to understand.
  - We have provided you with all the facts you need to make an informed decision.
  - The facts are supported by the business plan for the society.
  - Nothing in this offer document is purposely incorrect, confusing or misleading and the board has undertaken a detailed verification exercise to ensure that is the case.





## 11. Advisers

### 11.1 Legal

Wrigley Solicitors LLP  
3rd Floor  
3 Wellington Place  
Leeds LS1 4AP  
[www.wrigleys.co.uk](http://www.wrigleys.co.uk)

### 11.2 Accounting

Ribchester Chartered Accountants  
Belmont Business Park  
Finchale House  
Oakmore  
Durham  
DH1 1TW  
[www.ribchesters.co.uk](http://www.ribchesters.co.uk)

### 11.3 Bankers

The Co-operative Bank PLC  
1 Balloon Street  
Manchester  
M60 4EP

### 11.4 Society & Governance

Co-operatives UK  
[www.uk.coop](http://www.uk.coop)

This document has been prepared by Humshaugh Community Solar Limited .

Humshaugh Community Solar Limited is a Community Benefit Society registered with the Financial Conduct Authority (No 9230) under the Cooperative and Community Benefit Societies Act 2014.

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to:

<https://communityshares.org.uk>

Please contact David Still for further information.

[info@humshaughsolar.org](mailto:info@humshaughsolar.org)

07900 917047

The registered office is 10 Beechcroft, Humshaugh, Hexham, Northumberland, NE46 4DN



## 12. Share Application Form



### HUMSHAUGH COMMUNITY SOLAR LIMITED

**REGISTERED NO: 9230**

I wish to invest a total of £ in the Shares of Humshaugh Community Solar Limited (HCSL) on the Terms and Conditions of the offer document dated 1<sup>st</sup> November 2025 at the price of £1.00 per share. (The minimum investment is £100 and the maximum investment is £40,000 (corporate £100,000).

### Applicant details

|                                 |  |
|---------------------------------|--|
| Organisation<br>(if applicable) |  |
| Title<br>(Mr/Mrs/Ms/other)      |  |
| Forename                        |  |
| Surname                         |  |
| Address                         |  |
| Town                            |  |
| Post code                       |  |
| Date of birth                   |  |
| Email address                   |  |
| Telephone no                    |  |

☐

(Required) I have read the Share Offer Document and am not relying on any other sources of information about the Society. I am over 16 and eligible to apply for shares. I have considered whether I need to take financial advice or other advice. I authorise the Society to make enquiries to confirm the eligibility of this application if required. I understand that this application may be withdrawn if a supplementary offer document is issued, but not otherwise and, if and when accepted by the Society, forms a contract in law on the Terms and Conditions of the share offer document. I agree to allow HCSL to securely store my contact details and communicate with me by email, telephone and post. (See privacy policy at <https://humshaughsolar.org/share-offer>). I agree to allow HCSL to securely store my bank account details for interest and capital payments. I consent to using the email address given as the primary means of communication for official documents from HCSL.

☐

Please tick this box if you would like to discuss payment instalments option for share purchases of £1000 or less over a year – we will then contact you to discuss.

|                   |  |
|-------------------|--|
| <b>OFFICE USE</b> |  |
| Received          |  |
| Processed         |  |

Signature

Date

Please return this form to [info@humshaughsolar.org](mailto:info@humshaughsolar.org) or send to 10 Beechcroft, Humshaugh, Hexham, NE46 4DN.



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For information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to <https://communityshares.org.uk>

