

CREW Energy SHARE OFFER 2020



Hello!

We're CREW Energy – a Wandsworth- and Merton-based community energy co-operative delivering low-carbon solutions, energy advice and community outreach to south-west London.

Having undertaken successful projects in Wandsworth, Merton and Islington since 2017, we are now pleased to hold our very first share offer! We are aiming to raise **£50,000** to fund a renewable heat project in south-west London with the Devas Club in Battersea. We hope this will be the first of many.

In return for the investment, CREW will receive the Renewable Heat Incentive (RHI) subsidy and a heat charge from **Devas Club**. This revenue stream will allow us to pay back you, our investors, with our targeted 3% annual interest premium.

This funding will help us **reduce the carbon footprint of our community**, save Devas Club money on its running costs and allow us to invest in **climate education and outreach** for the next generation. It is also the first urban community energy heat pump project; join us and be an eco-pioneer.

This document will explain everything you need to know about our share offer. If you have any questions or would like to know more, you can drop us an email at info@crewenergy.london.



SUMMARY OF KEY FACTS

Purpose of investment	To improve the sustainability of the Devas Club through the installation of air source heat pumps (ASHPs), The project will save a forecasted 17 tonnes of CO ₂ e per annum.
Project length	20 years
Target interest rate*	3% per annum, subject to risks as outlined in this document.
Interest payment	Interest will accrue from the 1st of the month following the issuance of shares and will be paid out annually upon approval of the members at the AGM as long as funds are available.
Risks	<p>Capital is at risk. Investors may not get back all or any of the money they have invested. Interest is not guaranteed. This offer is not covered by any deposit guarantee scheme or financial ombudsman.</p> <p>Shares in a Community Benefit Society (CBS) are not regulated under the Financial Services Act 2000 (FCA) and, therefore, are exempt of protection under the Financial Services Compensation Scheme (FSCS)</p>
Rights	Purchase of shares entitles the holder to full member rights as outlined in CREW Energy's constitution. All relevant documents can be found at https://www.crewenergy.london/documents.html including business plan, financial forecast, annual accounts, risk register and society policies.
Withdrawal and transfer	Shares cannot be redeemed in the first two years. Thereafter, shares may be redeemed subject to funds being available and board approval. Shares cannot be transferred, except in the event of death, in which instance board approval will need to be requested.
Minimum investment	£250 (per applicant)
Maximum investment	£5,000 (per applicant)
Target raise	£50,000
Timeline	The offer will remain open from 14th December until 21st January. The offer period can be extended by Directors.
Eligibility	Anyone over the age of 16 may apply for shares. Co-operatives, community benefit societies, companies and other incorporate associations may also apply for shares.
How to invest	Applications can be made via our website at https://shares.crewenergy.london If you need help making an application please contact us at info@crewenergy.london
Standard Mark	<p>Awarded the Community Shares Standard Mark meeting national standards of good practice</p> <p>http://communityshares.org.uk/what-standard-mark</p> 

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ABOUT CREW

GREEN GRASSROOTS

CREW Energy was founded in 2014 as Community Renewable Energy Wandsworth. The members of Wandsworth Friends of the Earth were looking for a new project to take on, one that would go beyond environmental activism and allow us to take action ourselves. Seeing the success of Brixton Energy we decided to take on the challenge of bringing community energy to Wandsworth.

We grouped together with other like-minded people from Wandsworth to found CREW.

Our initial goal was to a solar project replicating Brixton Energy, however, due to struggling to find an appropriate site and reductions in the Feed-in-Tariff we were driven to find a different approach to community energy projects. This led us to the Doddington and Rollo Community Association (DRCA), a community building for local businesses and charities in Battersea. We replaced all their lighting with highly efficient LED bulbs controlled by motion sensors. The project was the first lighting community energy project in London and the first community energy project in the capital financed using an energy services agreement.

FUELLED BY INNOVATION

This need for **innovation** enabled us to diversify the types of community energy project we could deliver. Our subsequent projects have extended well beyond the traditional solar model, with building management systems, Hydromx heat transfer fluid and LED lighting. This year, we are expanding our portfolio of technologies and embarking on projects involving air and ground source heat pumps.

One of the founding principals of CREW is to deliver **social as well as environmental** benefits. We want our projects to benefit their **local communities** while **reducing the overall carbon footprint** of London. Part of our mission is to reduce fuel poverty in south-west London. We run energy cafes aimed at reaching the most vulnerable in society. Throughout the COVID-19 pandemic, we have innovated further, converting this programme to a phone line.

THINKING BIG FOR 2020

Our goal in 2020 is to successfully deliver an air source heat pump project. With it, we aim to demonstrate that a community energy group can be financially sustainable with community support. We will continue to work to increase the reach of community energy in south-west London.

**Our combined annual savings
across all our projects add up
to...**

**50
tonnes
CO₂e**

**£26,151
customer
bills**

**203,625
kWh
energy**



Our low-carbon journey so far

CREW is already making a difference to air quality and energy use in south-west London, with huge annual cash and carbon savings across six core projects. We want to take this even further, with your help!

A MESSAGE FROM OUR CHAIR



Dear Future Investor,

As you may be aware, councils across Britain declared a climate emergency in 2019-2020. As of February 2020, 66% had declared, Wandsworth and Merton included. Since then, there has been some planning but little action. COVID-19 has delayed plans further and will put a huge hole into council budgets going forward. As a result, much of the action required will fall to us, as individuals and communities, to achieve the 2030 and 2050 targets and avert a climate crisis.

CREW Energy is a not-for-profit community benefit society that supports south-west London's migration to becoming a greener and fairer community. By supporting us, you can help local charities, businesses and individuals become more sustainable, improve local air quality and build community cohesion, all while making a healthy return on your investment.

This year, CREW Energy is looking to raise an initial £50,000 to install renewable heating at Devas Club, a youth centre off Lavender Hill. This will be our very first share offer, but we hope the first of many.

CREW Energy has been working closely with Devas Club since 2018, when we installed LED lighting and building heating controls to reduce bills and cut carbon. We have since been successfully awarded additional grant funding from the Wandsworth Local Fund to install £27,000 of further energy efficiency improvements. The community share offer will be phase three of our partnership with Devas Club and our most ambitious project to date.

For CREW Energy and Devas Club, it is not just about carbon emission and cash savings, it's also about community; how we can work together to use the community space to support and educate the local community on its path to sustainability. We have already run an eco action games evening for the club members and are now planning more, alongside energy advice cafés and a renewable energy evening for local residents.

We are excited and optimistic to be taking this new step with the Devas Club and south-west London communities. We can't wait to have you on board.

Toby Costin
CREW Energy Chair

HOW WE USE YOUR INVESTMENT

Your investment will form part of the £50,000 we are raising to finance the upfront capital costs for **air source heat pumps** to be installed at **Devas Club** youth centre in Battersea.

This project will not only help **reduce the carbon footprint** of our community by **17 tonnes per year**, by supplementing the club's existing gas boiler, it will also make Devas Club more energy efficient, saving it **£962 per year** on its running costs.

In return, CREW will generate income in two ways:

1. CREW will receive the **Renewable Heat Incentive (RHI)** subsidy from the UK government (£0.0279 per kWh).
2. The money Devas Club saves on its energy bills will go towards a **heat charge payment** to CREW (£0.015 per kWh), which is billed every month.

This will allow us to pay our investors a targeted **3% interest premium** and invest any surplus in climate education and outreach for the next generation. Simple as that!

It's tangible impact investment at a truly local level.

INVESTMENT AT RISK

The contents of this Document have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this Document for the purposes of deciding whether to make an investment may expose an individual to a significant risk of losing some or all the property or other assets invested. Under these circumstances, you have no right to compensation from the financial services compensation scheme, or recourse to an ombudsman. An investment in CREW Energy involves a degree of risk and, in particular, attention is drawn to the risk factors set out in this Document. An investment in this scheme may not be suitable for everyone. Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice.



Community investors
buy shares



Your investment is used
to install air source heat
pumps



Devas Club saves money
on its energy bills, which it
repays to CREW



CREW receives the RHI
government subsidy to
boost income



CREW pays its investors
3%* interest using the
combined income
generated

*This is our target and is not guaranteed

INTRODUCING OUR PROJECT PARTNER

This year, CREW Energy has the pleasure of working with a cornerstone institution of south-west London: **Devas Club**. Your investment in CREW will be used to fund projects in their premises.

Devas Club is an important centre of the community in Battersea, hosting a range of activities. Primarily it is a youth centre offering sports, music, dance, theatre and homework clubs for local youths aged 8-19. Devas also host inclusion lunches for the elderly and provide office space for local social enterprises who are, in turn, providing services to our local community.

Devas Club is home to 500 members and 250 weekly visitors. Children can learn how to use a music studio to create their own sounds. They can join after school homework clubs. They can be involved in the centre's dance and theatre groups, or they can use the gym facilities, play football or basketball on the amazing roof court. Built into all of the Club's programmes is an encouragement for the children to learn and become more resilient, so as to prepare them for adult life.



BENEFITS TO DEVAS CLUB

CREW Energy has been working closely with Devas Club since 2018 and this will be our third intervention with the centre. In phase 1 we raised £20,000 and achieved a community energy first by installing LED lighting and a building management system to cut the club's energy usage by 25% annually. This amounts to a carbon saving of approximately 2 tonnes per annum and a combined total of £1,555 p.a. on their energy bills.

For phase two, we have recently won a second grant, this time with Wandsworth Council for £27,000, to install secondary glazing, more LED lighting, destratifiers and a heat transfer solution.

This third phase, funded by our share offer, will truly put the Devas Club on the path to sustainability and way beyond their plan to reduce carbon emissions by 5% over three years. We plan to install air source heat pumps to reduce reliance on gas heating by up to 90%. Again, this will cut carbon emissions by around 70% (17 tonnes of CO₂e per annum!) and improve local air quality through a reduction in gas flue emissions, which include carbon monoxide, nitrous oxides and particulate matter. All while reducing Devas Club's running costs by £962 per year!

Beyond carbon and money savings, we are also partnering with Devas Club to make it into a sustainability learning hub for the local community. We will use surplus income from this project to run eco action games events to educate children in a fun and interactive way, energy cafés that will help the fuel poor and vulnerable and, finally, seminars to help you, the local community, understand what measures you can take to live a more sustainable life.

DEVAS CLUB

PROJECT SO FAR

PHASE ONE - 2019



TECH

LED lighting
Building Management System



ENERGY SAVINGS

£1,555 p.a.



CARBON SAVINGS

1.99 tonnes CO₂e p.a.



PHASE THREE - 2021 SHARE OFFER



TECH

Air source heat pump
system



ENERGY SAVINGS

£962 p.a.



CARBON SAVINGS

17.23 tonnes CO₂e p.a.

PHASE TWO - 2021



TECH

LED lighting
Secondary glazing
Destratifiers
Hydromx



ENERGY SAVINGS

£5,000 p.a.



CARBON SAVINGS

12 tonnes CO₂e p.a.

OUR WORK



We know the value of local climate action in a time of change and uncertainty. We have been working hard to make our corner of the capital a greener, fairer place to live since our inception. It's time to take it up a notch, but not before we show you what CREW and the local community are capable of achieving!

£12,113

That's a big number. That's how much money we saved people at energy cafés on bill-switching alone from November 2019 to March 2020.

199

That's how many people we advised from November 2019 to March 2020 on tariffs, energy efficiency, heating solutions, behavioural change, health and well-being.

OUTREACH

In addition to low-carbon community building projects, CREW supports south-west London boroughs through its community outreach branch (soon to be rebranded as CREW Community), offering energy advice sessions to combat fuel poverty and eco action games sessions to raise awareness of sustainability amongst school children.

ENERGY CAFES

We have been delivering **energy café sessions** since 2018 but saw a real upward turn towards the end of 2019 when we were awarded just over £13,000 of funding to train 18 additional volunteer energy advisors. Throughout our winter 2019/20 energy café programme, we partnered with local charities **Wimbledon Guild**, **Age UK Merton** and **Thinking Works** to deliver energy advice to 373 residents of Merton and Wandsworth at 27 energy advice cafes in 13 different locations across 4 different London boroughs. In February 2020 we further extended this offering with workshops in Spanish, held at the Indoamerican Refugee and Migrant Organization in Brixton, and Latin American churches in Lambeth.

Fuel poverty is a major concern in the UK. A household is said to be fuel poor if it has above-average energy costs and if paying those costs would push it below the poverty line as far as its remaining income was concerned. Fuel poverty levels for 2018 sat at 11.2% in Merton, 10.1% in Wandsworth and 11.2% in Lambeth¹. Furthermore, as of 2018, 82.4% of all fuel-poor households were considered vulnerable²; that is one containing children, the elderly, or someone with a long-term illness or disability. The aim of our cafés is help those whose energy costs have become too high and who are struggling to understand the cheaper options out there.

ECO ACTION GAMES

We launched our **eco action games** workshops in late 2019 in a pilot session at Devas Club and have so far hosted sessions with them, Wandsworth Youth Climate Commission and Merton Libraries as part of their 'Spine Festival'. The workshops are designed to educate young people (aged 8-16) around key environmental themes and energy-saving projects, so that they can take these behaviours home and adopt them in their adult life. These sessions are the perfect opportunity to get children involved in climate action and teach them the value of saving energy.

¹ Source BEIS Sub-regional Fuel Poverty Data 2020: <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2020>

² Source BEIS Fuel poverty detailed tables 2020: <https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2020>

COMMUNITY VOICES



JOHNNY DEVAS
Director
Devas Youth Club

“We want to take this opportunity to say how much we appreciate the expertise, service and help provide by CREW Energy.

From carrying out a thorough survey of our energy needs, to producing a professional specification of works required, doing all the hard work in applying for and then obtaining 100% grant-funding for the whole project and to organising and supervising all the works on site with unfailing efficiency and courtesy, we were highly impressed.

We are very grateful and highly appreciative of the work carried out by you and your team.”



DAN NEWMAN
Director
The Parent House

“CREW Energy worked with the Devas trustees and Centre Manager to develop detailed plans to reduce both energy costs and greenhouse gas emissions, and then successfully obtained grant funding to carry out this work.

By understanding the way the centre works, they helped us develop priorities and ensured that the installation was carried out to fit in with our demanding programme of activities at the club.

We are delighted with the results. The installation of LED lighting and heating management systems has not only saved us money, it has helped us meet our CO2 reduction target and encouraged our young members to engage in the climate change debate.”



LEONIE COOPER
London Assembly
Member and Labour
Councillor for
Furzedown, Wandsworth

“CREW has worked really hard to get things going – never giving up, even when it wasn’t easy or straightforward! I know that after the Doddington & Rollo Community & Business Association success, where I introduced them and was pleased to launch, that the Devas Club has also been successful – just like the CREW energy cafés. If you want to invest in something that provides not just a return on your investment but also benefit to the local community – invest in CREW.”



PAUL WHITE
Labour Councillor for
Tooting, Wandsworth

“CREW Energy is an increasingly important player in Wandsworth's drive to be a zero-carbon borough. They help local charities businesses and residents improve their sustainability, building in financial, environmental and social resilience.

CREW is also playing an important role in community cohesion through its energy cafés, student outreach climate events and now their share offers.”

MEET THE TEAM



Tim Watson – CREW Co-Founder and Voluntary Director

Tim is a senior consultant at a business intelligence consultancy specialising in the financial services sector. Tim is passionate about climate change and sustainability and has been involved in environmental activist groups for the last ten years. Previously the chair of Wandsworth Friends of the Earth, he was one of the founding members of CREW and is keen to bring community energy to Wandsworth.

Toby Costin – Voluntary CREW Chair and paid consultant

Toby comes from a utility background with 18 years of experience in the energy sector. In his career, he has been responsible for risk managing three power stations and setting up energy businesses for a number of banks and trade houses. In the last seven years, Toby has focused on green energy and runs his own consulting business in conjunction with his duties for CREW Energy. Toby joined CREW in 2015 to help develop our sustainability projects and has been the management lead on each project since, nine to date. He is particularly interested in how new technologies and innovative models can offer solutions in the fight against climate change. Toby's passion for community energy stems from a desire to challenge climate change while offering opportunities and support to all members of the community. A desire to build a greener and fairer society.



Alex Hartley – Voluntary CREW Director / Paid consultant

Alex is a member of CREW Director and co-founder of our sister group, SELCE (South East London Community Energy), where she is also one of the architects of their fuel poverty alleviation and energy efficiency initiatives. She has 16 years of experience managing sustainability initiatives at senior level in business and the third sector. She has developed a number of programmes to tackle fuel poverty and is invited to speak at many sector events. She is vice-chair of Community Energy London and has extensive experience in the green transport sector. She holds several other volunteer directorships and previously worked for the Energy Institute.



James Mummery – Voluntary Non-Executive Director

James is Wandsworth born and bred, passionate about making London a sustainable city. He worked as a youth facilitator, volunteer coordinator and project manager in the charity sector before moving to Transport for London (TfL). Now he manages city wide infrastructure upgrade projects and has recently completed an MSc in Project and Enterprise Management at UCL.



Amy Reid – Voluntary Non-Executive Director and Communications Lead / Paid consultant

Amy is a translator-turned-project-manager based in Wandsworth. She has always been passionate about the environment and sustainability and joined CREW to put her language skills to good use in her communications role and by helping run our energy cafés in Spanish with the Latin-American community.



OUR FINANCIAL RECORD

Since its establishment CREW Energy has maintained a simple and effective financial management policy to ensure the financial stability of the organisation.

CREW Energy currently has one long-term liability in place, being a 0% interest loan from the British Airways Carbon Fund, administered by Pure Leapfrog. All payments have been made on time and as per contract.

This loan supported a renewable energy project with the Doddington and Rollo Community Association (DRCA) in South West London with whom CREW has a corresponding loan agreement. Payments are made to CREW by DRCA under the terms of the agreement, which provides the financial means for CREW to meet its obligations with Pure Leapfrog. This is a 10-year loan obligation, ending in 2027, with £14,617.61 outstanding.

The balance sheet shows sufficient cash reserves in place to ensure the viability of our ongoing activities. Our estimated net profit for the financial year to date is £6,803. Our annual accounts for the last 3 years and a financial forecast for the next 3 years can be found on our website: <https://www.crewenergy.london/documents.html>



BUSINESS MODEL

In early 2020, CREW Energy won a £99,162 grant from Power to Change's Next Generation programme to develop a **community energy business model around air source heat pumps (ASHPs) and ground source heat pumps (GSHPs)**. Our aim is to develop a sustainable community energy business model focused on the provision of renewable heat. This will focus primarily on the roll out of ASHPs across an urban context to generate renewable heat, **reduce gas consumption** and **improve air quality**.

The financial model included in this document (pages 17-19) demonstrates our business model for ASHP community energy projects, the viability of which will be proven through this initial share offer-funded project with Devas Club.

NEXT STEPS

The next phase of the Next Generation programme will involve the delivery of a GSHP community energy project in 2021. The site is yet to be confirmed, however we are currently working closely with Wandsworth Council to find one. For the less able to pay, the Council wishes to partner with us and Clarion Housing (the main provider of social housing in the borough) to convert many electrically heated properties (typically multi-home dwellings) to more efficient GSHPs with shared ground arrays. Shared ground array GSHPs could cut heating costs by 66% for multi-home dwellings. A funded trial of this technology could demonstrate to councils how much better off their residents would be while also improving the SAP rating of the property and reducing landlords' running costs. We will launch a second community share offer in 2021 to fund the capital expenses of this project.

SUPPLEMENTING INCOME

To supplement our income from heat pump projects, we are developing an **energy performance assessment service**; CREW staff will undertake building surveys with interested clients to produce the technical scoping documents for the installer, thereby creating a source of income for CREW. The Next Generation grant has provided funding to train two members to be domestic energy assessors and one to be a commercial energy assessor. In providing this additional service, we aim to create a training path for young people into this expanding sector.

Prior to winning the Next Generation grant all our projects had been funded by grants or loans. CREW Energy is volunteer-led and most of the work required to deliver a project has been done on a pro-bono basis. The grants have enabled some CREW members to work part time, increasing our capacity to deliver projects. We have no salaried staff, which enables us to scale the business up or down in line with our success in landing projects, which in turn prevents us from being put into a loss-making position.

HEAT PUMP FINANCIAL MODEL

Two of CREW's directors work in the renewable heat and accounting industries respectively and have created and approved this financial model. As with all financial models, it is reliant on various assumptions, which are listed below.

INCOME

The Devas Club has a modelled heat demand of 196,000 kWh. This outstrips its current gas consumption of 165,918 kWh, which reflects the supplementary heat that the building uses via plugin radiators and blow fans.

We expect this demand to fall somewhat with the installation of a building management system and Hydromx heat transfer solution, both of which form part of phase 2 of our project with Devas Club. For this model, we have assumed these two technologies will generate a 30% reduction in demand to 138,888kWh. We forecast that the heat pumps will supply 90% (125,000 kWh) of the remaining heat the building requires. The heat pumps will provide all heating needs to as low as 3 degrees Celsius. Any remaining heat will be supplied by the current gas boilers.

As explained on page 8, the **return on investment** in our financial model comes from two income streams:

1. **Renewable Heat Incentive** subsidy from the Government for every kWh of heat produced, paid on a quarterly basis over 20 years, i.e. 2.79 pence per kWh index-linked to consumer prices index (CPI) for the next 20 years.
2. A **heat charge** of 1.5 pence charged by CREW Energy to the client (Devas Club) for each kWh of heat consumed. Again, this figure is index-linked to CPI for 20 years and will be paid every month.

Total income over 20 years from these two sources totals £128,552.74 against a repayment of principal investment and interest of £65,750. We have allowed a **project buffer** of £6,731.80 for early redemption, overruns and project management. Total **cash flow** generated from this project over 20 years will be £73,095.41, which will be used to cover share administration, O&M costs and community projects.

CAPITAL COSTS

Equipment and installation costs total £43,268.20, which includes:

- Four air source heat pumps and accompanying equipment
- All plumbing works required for the installation, testing and commissioning of the system
- All materials required for installation, testing and commissioning of the system
- Parts and workmanship warranty
- All travel, accommodation and other costs associated with completing the work

HEAT PUMP FINANCIAL MODEL

We have incurred £1,200 of expenses relating to structural surveys and to the Energy Performance Certificates required for pre-registration costs. Other costs associated with feasibility assessments and planning have been met through a grant from the Power to Change Next Generation fund. Our legal negotiations were handled on a pro-bono basis by Simmons & Simmons.

EXPENDITURES

There are a number of expenditures throughout the course of the project. These include:

- Interest and principal repayment to members
- **Operations and maintenance (O&M)** – O&M costs for heat pumps are generally low and there are multiple providers covering the London area. Initially, we expect that these services will be provided by the installer and will total £100 per annum.
- **Project management and administration** – this will include preparing accounts, managing the ongoing contracts, administering payments to suppliers and shareholders, etc.

These expenditures will be financed using the cashflow generated throughout the life span of the project.

ASSUMPTIONS

- **Administration costs** – our administration cost assumptions are based upon an assessment of the costs of administering existing air source heat pumps.
- **Generation** – our heat pump engineers and installers have worked together to estimate the productivity (kWh) of the units over a typical year, in accordance with standard industry methodology.
- **Consumer Prices Index** – we assume that the CPI will average at 1.91% over the next 20 years. We believe this is a reasonable assumption for the long-term average based on historic figures and the Bank of England's target of 1.91% for the Consumer Price Index (CPI).

FORECASTS

Based on our financial model (using the assumptions above) we forecast that, in our base case, we will be able to provide: a 3% interest rate to members; full capital repayment in year 20; and generate a fuel poverty fund of over £40,000 over 20 years. At the end of the 20 years the heat pump will be donated to Devas.

PROJECT CASHFLOW MODEL

The following table provides financial projections for a 20-year period. This does not include any income from grants for fuel poverty-focused work, or other unrelated work.

Project cost		£43,268.20	Borrowing rate		3.00%	Project IRR		3.36%
Consumption kWh		125,000	Repayment starting year		3			
RHI p/kWh		£0.0279	Client charge £/kWh		£0.0150			
CPI		2.00%	Project Raise		£50,000.00			
Heat pump		90%	Project Buffer		£6,731.80			
Year	RHI Income	Client charge	Repayment	Debt	Interest	O&M	Cashflow	
								-£43,268.20
1	£3,138.75	£8,606.80	£0.00	£50,000.00	£1,500.00	£100.00	£10,145.55	
2	£3,201.53	£1,912.50	£0.00	£50,000.00	£1,500.00	£102.00	£3,512.03	
3	£3,265.56	£1,950.75	£2,777.78	£47,222.22	£1,416.67	£104.04	£917.82	
4	£3,330.87	£1,989.77	£2,777.78	£44,444.44	£1,333.33	£106.12	£1,103.40	
5	£3,397.48	£2,029.56	£2,777.78	£41,666.67	£1,250.00	£108.24	£1,291.02	
6	£3,465.43	£2,070.15	£2,777.78	£38,888.89	£1,166.67	£110.41	£1,480.73	
7	£3,534.74	£2,111.55	£2,777.78	£36,111.11	£1,083.33	£112.62	£1,672.57	
8	£3,605.44	£2,153.79	£2,777.78	£33,333.33	£1,000.00	£114.87	£1,866.58	
9	£3,677.55	£2,196.86	£2,777.78	£30,555.56	£916.67	£117.17	£2,062.80	
10	£3,751.10	£2,240.80	£2,777.78	£27,777.78	£833.33	£119.51	£2,261.27	
11	£3,826.12	£2,285.61	£2,777.78	£25,000.00	£750.00	£121.90	£2,462.06	
12	£3,902.64	£2,331.33	£2,777.78	£22,222.22	£666.67	£124.34	£2,665.19	
13	£3,980.69	£2,377.95	£2,777.78	£19,444.44	£583.33	£126.82	£2,870.71	
14	£4,060.31	£2,425.51	£2,777.78	£16,666.67	£500.00	£129.36	£3,078.68	
15	£4,141.51	£2,474.02	£2,777.78	£13,888.89	£416.67	£131.95	£3,289.14	
16	£4,224.34	£2,523.50	£2,777.78	£11,111.11	£333.33	£134.59	£3,502.15	
17	£4,308.83	£2,573.97	£2,777.78	£8,333.33	£250.00	£137.28	£3,717.75	
18	£4,395.01	£2,625.45	£2,777.78	£5,555.56	£166.67	£140.02	£3,935.99	
19	£4,482.91	£2,677.96	£2,777.78	£2,777.78	£83.33	£142.82	£4,156.93	
20	£4,572.57	£2,731.52	£2,777.78	£0.00	£0.00	£145.68	£4,380.63	
Total	£76,263.37	£52,289.37	£50,000.00		£15,750.00		£60,373.00	

TERMS & CONDITIONS

MEMBERSHIP

Membership is open to individuals who are over 16 years of age.

SHAREHOLDING

Each ordinary share will have a nominal value of £1, and the minimum shareholding is £250 and the maximum is £5,000. Your application for shares will only be accepted if you have met the conditions laid out in this share offer.

OFFER TIMETABLE AND OVER/UNDER-SUBSCRIPTION

The offer period is from 14th December 2020 to 21st January 2021. Once we reach our target of £50,000 the share offer will close, shares will be awarded on a first come first served basis. Should we not reach our target by 21st January 2021 the Board reserves the right to extend the closing date by an additional two weeks.

SHARE WITHDRAWAL

The shares in a Community Benefit Society are not transferable, which means that they cannot be bought and sold, except through the society, and the value of the Shares cannot increase beyond their nominal £1 value, but may decrease if the Community Benefit Society suffers sustained losses. Whilst the expected project life is 20 years, shares may be withdrawn at an earlier stage at the discretion of the Board of Directors. Share withdrawal is suspended for the first two years of the project to build up reserves and to enable future project development – meaning that no shares will be withdrawable for the project until at least 21st January 2023. After this time, any Members who wish to withdraw their Shares, either in part or in full, can apply to the Board of Directors upon giving three months' notice. The Board will then consider applications to meet the repayment considering the funds available and our ability to raise new funds. If applications to withdraw Shares exceed the available funds, repayments will be offered on a pro-rata basis.

CAPITAL REPAYMENT

Capital repayment will begin in year 3 as shown in the project cashflow model on the previous page. Should there be insufficient voluntary withdrawals to meet the repayment requirements then outstanding repayment amount will be paid across all share holders on a pro-rata basis.

TERMS & CONDITIONS

PAYMENT OF INTEREST

Provision is made in the Rules for payment of interest on Shares at rates sufficient to attract the required capital. The rate of 3% is our target but the actual dividends in any year will be determined by Members each year at an extraordinary general meeting. Share holders may chose to donate their interest to CREW Energy, this will be put towards our other projects

NOMINATION OPTION

A Member may nominate one or more persons to whom property which that Member holds in the Society may be transferred on death. On receiving a satisfactory proof of death of a Member who has made a nomination the Society shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the individual or individuals entitled thereunder.

Any property held by a Member who dies or becomes bankrupt which is not dealt with by nomination under this Rule shall be dealt with as follows: Upon a claim being made by: (a) The personal representative of a deceased Member; or (b) the trustee in bankruptcy of a Member who is bankrupt; or (c) the Office Holder to any property in the Society belonging to such a Member, the Society shall transfer or pay property to which the personal representative, trustee in bankruptcy or Office Holder has become entitled as that person may direct them.

YOUR PAYMENT

CREW Energy will acknowledge receipt of your cheque or your bank transfer and application and may cash your cheque as soon as it is received. CREW Energy will hold your money on trust, in a segregated account, for you until the Directors consider your application, which will be after the offer closes. The Directors will return your money to you (within 28 days of the Board of Directors meeting at which they consider your application) if they decide not to issue Shares to you. If they decide to issue fewer Shares to you than you applied for, they will return the balance to you (within 28 days of that Board of Directors meeting). If the project is cancelled, for example, due to failing to raise sufficient funds to reach our target, the Directors will return your money to you.

RISK FACTORS

OVERVIEW

- Shares in a Community Benefit Society (CBS) are not regulated under the Financial Services Act (FCA) and therefore are exempt of protection under the Financial Services Compensation Scheme (FSCS). A CBS is also exempt from the 2005 Prospectus Regulations.
- A portion of the Society's income is derived from subsidies from the Renewable Heat Incentive (RHI), a Government-funded incentive scheme to encourage the uptake of heat pumps. The Society's income stream is dependent on future Governments honouring this scheme for the next 20 years.
- Returns are based on financial modelling at the beginning of the project and reliant on assumptions for consumption, inflation and fuel input costs.
- Community Shares are illiquid assets and can only be redeemed if the Society has the liquidity to re-purchase the Shares.
- Shares are only transferable in the event of death. In all other circumstances, they need to be sold back to the Society.

PROJECT RISKS

- A feature of the RHI is a built-in digression system once a certain number of installs are reached. In other words, the RHI income could be lower than what was originally modelled, which may impact the return on investment.
- **Mitigation:** CREW mitigates this risk by

using the most up-to-date tariff rate and builds in a 10% tolerance into our financial modelling.

- Delays to the project could impact the return on investment as the RHI has a deadline.
- **Mitigation:** this project is likely to proceed 4 months prior to the RHI deadline of March 2021. If there are delays, the project can be pre-qualified for RHI and delivered beyond the March 2021 deadline.
- Returns are reliant on the credit status of the Client, in this case, the Devas Youth Club for two reasons: 1) the assignment of the RHI to CREW Energy each quarter; 2) a heat charge for the heat generated and consumed on site.
- **Mitigation:** The club has strong credit status, it owns the property and covers 80% of core costs from renting out office space. Their youth programmes are provided through fund raising.
- As non-domestic RHI has metered consumption, CREW has made assumptions on the consumption of heat over the next 20 years. Factors such as improved insulation, further energy efficiency measures and long-term closure could all impact on the model.
- **Mitigation:** the heat pump system has been designed to meet only 80% of the last year's demand. The model has been developed with further tolerance in the margin to limit the risk of underperformance.

This list is not necessarily comprehensive and you should consider other risks that may impact the value of your investment.

RISK FACTORS

GENERAL INVESTMENT RISKS

- The value of your Shares cannot go up and may go down so that you may not get back the amount you invested. Payment of interest on your Shares is dependent on the financial stability of the CBS and Members' approval.
- If your circumstances change, your Shares may not be readily convertible into cash. Your Shares can be withdrawn (i.e. redeemed by the Society for the price paid for them) in accordance with the Rules but may not be withdrawable at short notice or when you wish to do so.
- This investment should be considered to be medium to long term as income will be invested in capital projects that will offer returns over time.
- CREW Energy is registered with, but not regulated by, the FCA and, therefore, the money you pay for your Shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

INVESTMENT RISKS

Investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity. An investment in Shares is an investment in a trading business, not a loan or a deposit.

Investment in smaller unquoted businesses is likely to involve a higher degree of risk than investment in larger companies and those traded on a stock exchange. In particular, attention is drawn to the following risks:

- Shares in a Community Benefit Society (CBS) are not regulated under the Financial Services Act 2000 (FCA) and therefore are exempt of protection under the Financial Services Compensation Scheme (FSCS). A CBS is also exempt from the 2005 Prospectus Regulations.
- A portion of the Society's income is derived from subsidies from the Renewable Heat Incentive (RHI), a Government-funded incentive scheme to encourage the uptake of heat pumps. The Society's income stream is dependent on future Governments honouring this scheme for the next 20 years.
- Returns are based on financial modelling at the beginning of the project and reliant on assumptions for consumption, inflation and fuel input costs. These assumptions may not be accurate.
- Community Shares are illiquid assets and can only be redeemed if the Society has the liquidity to re-purchase the Shares.
- Shares are only transferable in the event of death. In all other circumstances, they need to be sold back to the Society.

This list is not necessarily comprehensive and you should consider other risks that may impact the value of your investment.

FURTHER INFORMATION ABOUT THE COMMUNITY BENEFIT SOCIETY

STRUCTURE AND RULES OF THE SOCIETY

CREW Energy is a Community Benefit Society that functions under the laws of the 2014 Co-operative and Community Benefit Societies Act 2014, which is overseen by the Financial Conduct Authority (FCA).

The main rules can be found at on our website under 'About Us', however, we would like to draw attention to the following:

- Our Community Benefit Society consists of both Members and volunteers.
- Members are requested to take an active interest in the operation and development of the Society and its business. Members have a duty to respect the confidential nature of business decisions of the Society.
- All volunteers are invited to become Members if they so wish. Volunteers contribute to community efforts through participation in our awareness schemes, energy cafés, games sessions and other activities, such as leafleting and social media activity.
- Members may hold more than one share in the co-operative, but voting is limited to one member, one vote.
- All members will be invited to an Annual General Meeting (AGM).
- An AGM must be called within six months of the end of the financial year, in the case of CREW Energy this year ending February. The Board must give the Members 14 days' clear notice of the calling of the AGM.
- At the AGM, our annual report and accounts are considered, auditors are appointed, Directors are elected, and decisions are taken on the use of profits and any resolutions to change the rules of the Society. The assets of the cooperative are held under asset lock as described below.

APPLICATIONS FOR MEMBERSHIP

No natural person shall be admitted into membership of the Society unless they have attained the age of 16. All those wishing to become a Member must support the objectives of the Society and complete an application for membership, which shall include an application for at least one share in the Society. The Directors must approve each application for membership. The Shares of the Society shall be of the nominal value of £1 issued to Persons upon admission to membership of the Society.

ASSET LOCK

CREW Energy's asset lock is a constitutional device that prevents the distribution of residual assets to Members. The purpose of an asset lock is to ensure that the public benefit or community benefit of any retained surplus or residual value cannot be appropriated for the private benefit of Members. The asset lock removes the scope for Members to make speculative capital gains resulting from the dissolution, disposal or conversion of the Society into a company.

OFFER SHARES, WORKING CAPITAL, REASONS FOR OFFER AND USE OF PROCEEDS

The Offer Shares, which will not be traded on a stock exchange, have been created under the Co-operative and Community Benefit Societies Act 2014. Successful applicants for Shares will receive share certificates and their details and holdings will be recorded in a share register. Each person or organisation issued with Shares becomes a Member of CREW Energy Limited with membership rights defined in the Rules.

GLOSSARY

ASHP or Air Source Heat Pump: absorb heat from the outside air for central heating and hot water.

Board: the Board of Directors of CREW Energy Ltd.

The Community Benefit Society: CREW; CREW Energy; CREW Energy Ltd, registered office: 164 Trentham Street, London SW18 5DJ, registration number 7286.

Directors: the executive and non-executive directors of CREW Energy.

Financial Projections: the financial projections comprising the projected income and expenditure and returns to members of CREW Energy for the three years ending 2019 including the assumptions on which they are based.

GSHP or Ground Source Heat Pumps use pipes that are buried in a garden or outside a property to extract heat from the ground.

Maximum Capital: £50,000 or such larger sum as is required to install all of the projects included in this document whilst the Offer is open

Offer or Share Offer: the offer of Shares CREW Energy Ltd contained in this Offer Document.

Offer Document or Share Offer Document: this document inviting persons to subscribe for the Shares.

Offer Period: the period during which the Offer will remain open (including any extension).

Offer Shares or Shares: new shares of £1 in CREW Energy Ltd, offered at £1 each under the Terms and Conditions of this Offer Document.

RHI or Renewable Heat Incentive: the Government-regulated inflation-linked price payable to commercial producers of qualifying renewable heat for 20 years.

Rules: the Rules of CREW Energy Ltd, quoted in this Offer Document and a copy of which is available at <http://www.crewenergy.london/about-us.html>.

Site: the customer's premises where the equipment will be located.

SHAREHOLDER APPLICATION FORM

We would prefer you to apply for shares online at: <https://shares.crewenergy.london>

However, if you would rather use a paper application **PLEASE COMPLETE BOTH PAGES OF THIS SHAREHOLDER APPLICATION IN BLACK INK AND CAPITALS AND SEND A CHEQUE TO THE ADDRESS:** CREW Energy Ltd, 164 Trentham Street, London, SW18 5DJ.

You can also make a BACS payment. If you wish to do this, please tick the box at the end of this page form and be sure to include your email address.

If you would like to nominate someone to receive shares on death, then please complete the Nomination Form included in this document and post alongside this form. An individual set of application and nomination forms will be needed for each investment and nomination application.

INVESTMENT

I wish/my organisation wishes to invest a total amount of £ in CREW Energy Limited based on the Terms and Conditions of the Share Offer document at the price of £1 per share. (Min. holding £250, Max. holding £5,000)	£
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YOUR DETAILS

FIRST NAME		SURNAME	
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*Please only complete boxes marked with an asterisk if you are applying on behalf of an organisation. If you are applying on behalf of an organisation, please include the address of the organisation below and suitable contact details.

*ORGANISATION NAME AND REG. NUMBER	
*NAME OF AUTHORISED SIGNATORY	

ADDRESS	
	POSTCODE

PREVIOUS ADDRESS (if less than 3 years at above)	
	POSTCODE

DATE OF BIRTH		TELEPHONE	
EMAIL			

HOW DID YOU HEAR ABOUT CREW?	
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<input type="checkbox"/>	I would like to pay by BACS transfer, please send me an email (tick box)
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SHAREHOLDER APPLICATION FORM

I CONFIRM MY UNDERSTANDING THAT:

When accepted by CREW Energy Ltd, this Application forms a contract subject to the law of England and Wales on the Offer Terms of the Share Offer document.

An Applicant who/which is not a UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK to which he/she/it is subject, and that he/she/it will need to provide a UK-based bank account. If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.

I CONFIRM THAT:

I have read the Share Offer document and understood and accept the terms of the Share Offer and the Rules of CREW Energy Limited. I understand that the payment supporting this Application will be presented upon receipt and I warrant that it will be paid on first presentation. I understand that my Application will be handled by Co-Energy who may need to contact me for further information to be able to complete my Application.

I understand that:

- This Application may be withdrawn if a supplementary Share Offer document is issued, but not otherwise and if and when accepted by the Society forms a contract subject to English law on the Terms and Conditions of the Share Offer document
- This Offer closes on 21st January 2021 or whenever £50,000 is subscribed, whichever is sooner; the Board reserves the right to extend the closing date by an extra two weeks if necessary
- If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole; and that
- If insufficient funds are raised by the Offer, my payment will be returned.

I confirm that:

- I am responsible for obtaining any financial and tax advice concerning this Offer and I have not relied on the Society or its advisers for any such advice.

I authorise the Society to make such enquiries as are deemed necessary to confirm the eligibility of my Application

- I am not making an Application or multiple Applications that would bring my holding to more than 5,000 Shares in the Society
- I will provide any additional information on request from the Society in connection with this Application (including any information to provide the Society with satisfactory evidence of my identity)
- If signing this Application on behalf of any person, I have their explicit authority; and
- I understand if my Application is successful I will become a Member of the Society and agree to be bound by its Rules. I consent to using the email address above as the primary means of communication for official documents from CREW Energy Ltd.

BEFORE COMPLETING THIS FORM YOU SHOULD HAVE:

- Read the Share Offer document
- Considered the Offer Terms and the Risks as set out in the Share Offer document
- Considered whether you need to take any financial advice in relation to the Offer Terms

NB: the data that you provide on this application form will be stored within a computerised database, by the Receiving Agent, Say Watt Ltd (data processor) and CREW Energy Ltd (data controller). Under the General Data Protection Regulation (GDPR) (EU) 2016/679, we have a legal duty to protect any information we collect from you. Your information will only be used for the purposes of this Share Offer and will not be disclosed to any third party.

I understand that the cheque supporting this application (if enclosed) will be presented for payment upon receipt and I warrant that it will be paid on first presentation. **All applications received will be acknowledged by CREW Energy Ltd.**

SIGNATURE	
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APPENDIX I: RHI

The Renewable Heat Incentive (RHI) is a UK government environmental programme that provides financial incentives over the course of 20 years to increase the uptake of renewable heat. It runs along two branches: domestic and non-domestic.

The RHI applicable to this project is the non-domestic version, for industrial, commercial, public sector and not-for-profit organisations.

Our tariff rate (2.79p per kWh of heat consumed) is assigned to based on the technology used for an installation (in our case an air source heat pump) and size (4 units). Payments are made based on the heat output of the installation. They begin to accrue from the date of accreditation of the installation and are paid on a quarterly basis.

Tariff rates are set by the Department for Business, Energy and Industrial Strategy (BEIS) and are adjusted annually in line with the relevant price index: Retail Price Index or Consumers Price Index. Since CREW's application was submitted after 1 April 2016, our tariff is adjusted in line with the Consumer Prices Index (CPI).

For more information, see: <https://www.ofgem.gov.uk/environmental-programmes/non-domestic-rhi/contacts-guidance-and-resources/non-domestic-rhi-tariffs-and-payments>



APPENDIX II: NOMINATION OF SHARES ON DEATH

If you would like to nominate someone to receive your shares on your death, then please **COMPLETE THIS APPLICATION IN BLACK INK AND CAPITALS AND RETURN TO THE ADDRESS:** CREW Energy Ltd, 164 Trentham Street, London, SW18 5DJ.

An individual set of application and nomination forms will be needed for each investment and nomination application.

You can nominate a person aged 16 or over to whom you wish your shares to be transferred on your death. CREW Energy will respect you wish in so far as the law and our Rules permit.

PERSONAL DETAILS OF YOUR NOMINEE

FIRST NAME		SURNAME	
ADDRESS			
	POSTCODE		
DATE OF BIRTH		TELEPHONE	
EMAIL			

I understand that it may not be possible for CREW Energy to action this request and I and my heirs will not hold the Society responsible for its actions. I understand that these instructions can be revoked or amended by my giving clear written instructions to the Secretary of CREW Energy at its Registered Office. I understand that trustees will need to be appointed if my nominee is under 16 years of age.

SIGNED AS A DEED	
NAME IN PRINT	
SIGNATURE OF WITNESS	
NAME IN PRINT	

If you have any queries about your application, please email info@crewenergy.london.

CONTENTS OF THIS DOCUMENT

This Offer Document has been prepared by CREW ENERGY Ltd (CREW) and its Directors who are responsible for its contents.

Technical and other words or phrases used in this Offer Document with a particular meaning are defined and explained in the Glossary.

No advice on investments is given in this Offer Document or by CREW or its Directors in relation to it. If any person has any doubt about the suitability of the investment which is the subject of this Offer Document they should consult with an appropriate authorised financial advisor on this investment.

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