Nadder Community Energy

Second Share Offer Document 2018

Share Offer Document 2018

Nadder Community Energy

Nadder Community Energy has appointed Sharenergy as consultants for the administration of this share offer.

For enquiries relating to this share offer, contact Sharenergy:

01743 835242 admin@sharenergy.coop

Sharenergy Co-operative Ltd, The Pump House, Coton Hill, Shrewsbury, SY1 2DP

The project website with further documents is available at:

www.naddercommunityenergy.org.uk

Nadder Community Energy Limited is a Community Benefit Society registered with the FCA (reg no. 7189).

This Society has been developed with the help of:

Nadder Community Energy is a member of:

The Directors also thank Simon Davison for the creation of the website, Kate Clark for the design of the logo and Pete West of Dorset Community Energy for his ongoing help and support.

Photographs by Hugh Synge unless otherwise stated.

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Directors' Letter

Dear Existing and Potential Society Members

This is a limited opportunity to invest in community energy renewables before the government greatly reduces, or removes, the Feed-in-Tariff from next year.

Nadder Community Energy is an established Community Benefit Society which gives you a chance to own solar power at scale. Our first project now owns and runs eleven solar PV installations totalling 469 kW in and around the Nadder Valley in Wiltshire, mainly on commercial and farm buildings. The solar panels produce clean, low carbon energy, supporting local business and creating a substantial local community fund.

This offer, although of a smaller scale, has the same aims: to reduce carbon and to help the local community.

You are invited to become a member of the Society or to increase your existing holding. You can subscribe to this share offer for as little as £50. You will receive a good return on your investment – projected at 5% per annum. This will be a standalone project and will not be subsidised in any way by the earlier one nor vice versa A proportion of the income from the panels will also contribute to the current Community Fund

Our structure is based upon that of other successful renewable energy societies across the UK, including Dorset Community Energy and many other community solar organisations.

This Share Offer Document gives you the information you need in order to decide if this investment is right for you. We hope you do decide to join us and become a member of Nadder Community Energy.

The Directors

Declaration

The Directors hereby declare that the information contained in this Offer Document is to the best of our knowledge in accordance with the facts and contains no omission likely to affect its import.

Maggie Paul Chair	Sue Reed Secretary	Tim Plumptre Director	Lucy Stone Director
James Meldau Director	Ralph Perry Robinson Director	Kate Sinton Director	Dick Ripper Director

November 15th   2018

Summary of Offer

This is a summary of the offer to acquire shares in Nadder Community Energy Ltd ('the Society'). It should be read as an introduction only and any decision to invest should be made on the basis of the document as a whole.

Introduction

The purpose of this share offer is to raise £136,000 to pay for the installation of six solar photovoltaic installations with a total capacity of 119 kWp on schools in and around the Nadder valley. The Society aims to be generating electricity from them during 2019.

The Society

The Society's purpose is to generate low-carbon electricity and to benefit the local community. Power generated by the panels will feed into local schools, reducing their electricity costs. It is estimated that the project will displace the equivalent of 48 tonnes of carbon dioxide every year. The Society will generate revenue from the sale of electricity both on-site and to the grid, and from the Feed in Tariff (FiT).

The projected annual surplus will enable the Society to make interest payments to members and to start repaying capital afterthe end of Year 3, while maintaining a healthy contingency fund.

The Offer

This Offer Document seeks to raise funds by the issue of Offer Shares at £1, payable in full on application. The offer will be opened for applications from 19th November 2018.

Those applying for membership should regard these Shares as a long-term investment, given the proposed overall term of 20 years with seventeen equal annual capital repayments from the end of the third year.

Subscribers may apply for a minimum of 50 and a maximum of 50,000 shares at their £1 value.

Returns to Members are calculated using the assumptions stated in this Offer Document. The projected return to Members over the expected life of the Project is a pre-tax return of 5% per annum on outstanding capital over a 20-year project period.

Shares will not be traded on any stock exchange and are not transferable. Members may apply to withdraw shares from the start of Year 4 of operation. Share withdrawal is at the discretion of the board. However this is unlikely to be granted unless in exceptional cases as multiple withdrawals might imperil the viability of the project.

Each shareholder, whatever their investment, automatically becomes an equal member of the Society on a 'one member one vote' basis.

Risks

All investment and commercial activities carry risk. Members should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of the Project.

Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice. This share offer is not covered by the Financial Ombudsman Service nor by the Financial Services Compensation Scheme.

Business Overview

This section provides details about the Project and the organisations that have put it together.

Renewable Energy Societies

The first renewable energy society in the UK was Baywind in Cumbria, established in 1997. There are now renewable energy societies across the UK and across the technologies. Community solar in particular has been a success story in recent years and our first eleven installations have performed as expected without problem.

Community Benefit Societies such as this one are democratic structures with the legal ability to raise money directly from members of the public. With a ‘one member one vote’ system and a board elected from the membership, they offer a fair and transparent way to operate a community-owned renewable energy enterprise. They can also prioritise investment from the local area, ensuring that financial benefits from renewable energy flow to people in the locality.

Societies are registered with the Financial Conduct Authority (FCA).

The Project

The Nadder Community Energy Board and members with input from appropriate consultants have undertaken the necessary work in 2017 and this year to bring this project to fruition, aided by a grant of £20,000 from the Rural Community Energy Fund for an initial broad feasibility study to identify sites. At this stage the Society has completed:

- Site assessments and technical feasibility studies complete on all sites;
- Grid connection offers in place for all sites with no re-inforcement works required;
- Competitive quotes received for all sites after tender process;
- Legal Heads of Terms discussed and agreed with all sites;
- Permitted development status secured for all sites except for Semley School, which requires a Listed Building application which is pending;
- Energy Performance Certificates (EPCs) in place for all sites;
- Feed in Tariff Pre-Registration obtained for all sites;

Nadder Community Energy

Nadder Community Energy Ltd was incorporated and registered with the UK Financial Conduct Authority as a Community Benefit Society with registration number 7189 on 12th August 2015. The Society has been set up with eight Directors. Directors are elected from among the membership.

The Society’s Rules are based on Co-operative UK’s Model Rules for a Community Benefit Society. A copy of Nadder Community Energy’s Rules is available from the Society’s website or by application to the Society (see p.2 of this Offer Document for contact details).

Nadder Community Energy is currently focused on the establishment of this second set of solar arrays but will continue to seek opportunities for community-owned renewables, subject to the approval of its members.

Nadder Community Energy

The Schools

The proposed sites to be financed by this solar PV share issue are as follows:

Site	*Capacity (kW)*	*Projected annual output (kWh)*	*Notes*
Leehurst Swan School	29.9	26,972	Independent 4-16 years
Chilmark and Fonthill Bishop School	5.5	4,863	Church of England Primary
Coombe Bissett School	13.44	13,373	Church of England Primary
Semley School	18	17,118	Church of England Primary
St Johns School, Tisbury	22.4	21,549	Church of England Primary
Wylye Valley School	30	28,290	Church of England Primary
Totals	**119.24**	**112,165**	

St Peter’s School Wilton is our eleventh installation
The 29.7 kW array has been generating power since September 2018

Technology, installers, monitoring & maintenance

Solar PV is a well-established renewable energy technology and its performance and returns under the Feed-in-Tariff are well understood. As such it provides a low risk investment opportunity.

Nadder Community Energy has selected high quality solar panels from established global Tier 1 manufacturers. All of the solar panels have at least a 10-year manufacturer's end user warranty and a performance guarantee of greater than 80% of the original solar electricity output after 25 years.

All Nadder Community Energy installations have specified high efficiency inverters (the box that connects the direct current from the solar panels to the 240-volt alternating current grid supply) manufactured by Fronius which is a world market leader. The inverters are warranted for 10 years.

The installations will be carried out by TH White, Richmond Gree and Energy-tec, leading locally based installers. They provide a workmanship warranty for 10 years (the same as the equipment warranties).

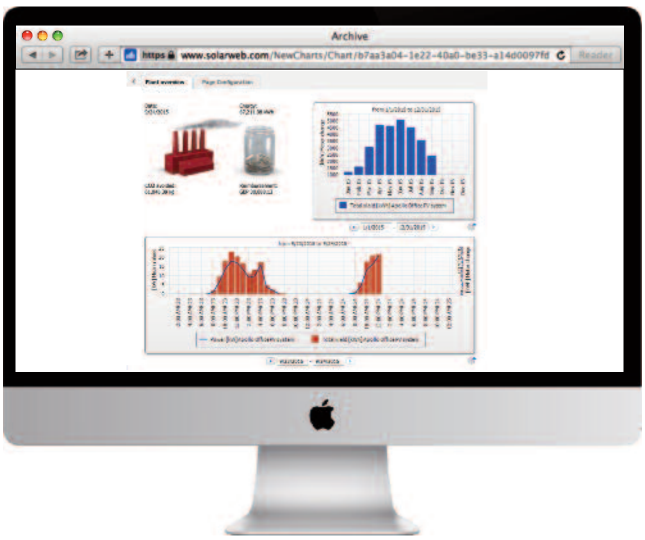
Servicing and maintenance will be carried out by a contracted party and this will include daily checking of the systems and an annual service. A component replacement fund of £5/kW/year is included in our financial model to cover inverters failing after year 10 and other component failure. All our sites will have performance monitoring available online.

Electricity sales

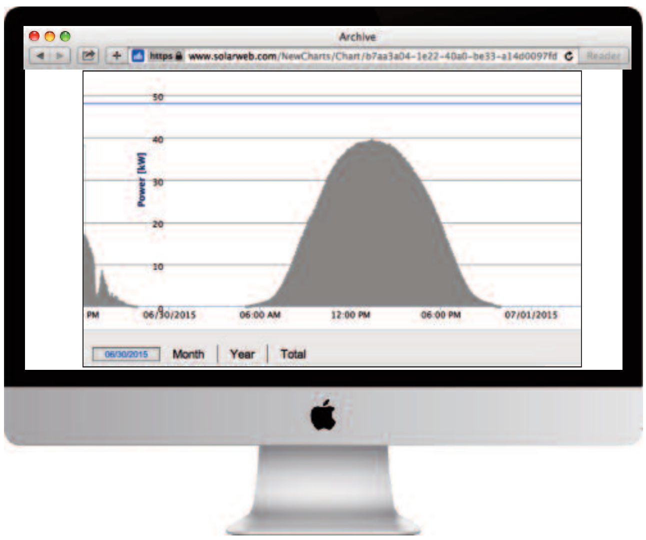
The electricity produced by the solar panels will in the first instance be used on site by the businesses based there. The surplus will be exported into the local network. The Society will seek to maximize income by obtaining quotes from the leading buyers of renewable electricity for power purchase. In addition the Society will receive the Feed-in Tariff.

Pre-registrations for the Feed-in Tariff were obtained in September 2018 in order to assure that the rates of Feed-in Tariff then in force will apply for this project. Pre-registration holds the current rate for 12 months and the panels must be generating before January 2019 in order to receive this rate.

Visualisation of the key parameters of a 35 kW rooftop system, displayed on SMA's Sunny Portal.



Output of a 48 kW system on a sunny June day, as displayed by the Fronius online monitoring system.



Timeline

This is an indicative timeline showing planned progress of the Project from this point onwards:

Nov 2018	Share offer carried out
Dec 2018	First installations
March 2019	Completion of installations
May 2019	Society AGM
May 2020	Interest payments to Members and Community Fund.

Community Benefit

The Society has created a Community Fund which, as a result of the first share offer, is projected to increase over time to a total of £324,000 over 20 years. This second offering is projected to contribute an additional sum to the fund. Please note that in the early years the Fund will be small, due to the need to build up an operating reserve. The principal benefit of this offering is to provide reduced electricity costs to the individual schools.

Legal Agreements

The Society is advised by lawyers Foot Anstey LLP, who have extensive experience in the renewable energy industry. Supported by Regen, they have produced generic legal agreements for community energy societies, to facilitate low legal costs and successful start-ups.

Non-binding Heads of Terms have been signed for every site. These documents outline the main terms under which the Society will occupy and rent the air space above the buildings or the land on which the panels will be constructed, as well as the power purchase agreements (PPAs) with the building occupiers.

The Society will take up a 21-year lease on the sites, allowing time for construction and 20 years of operation. Once the share offer is complete, final leases and PPAs will be signed.

▼ *Solar installation is now well established; some 840,000 households in the UK now have solar PV systems.*

Financial Projections

iFinancial Projections approved by the Board are summarised here and further information on key elements is provided. If you have further queries on these projections, please contact us.

Budget

£136,000 is required to cover the installation of the sites and the associated development and other implementation costs. The breakdown is shown below and includes a provision for a small contingency fund:

1. Capital cost of installations	**£126,640**
2. Development /Share offer costs	**3,000**
3. Implementation costs	**6,500**
4. Contingency (implementation)	**1,860**
Total	**£136,000**

Assumptions

The Projections are based on the following principal assumptions:

1. That annual energy production of the Installations will be in line with the estimates made. In the event that the predicted energy production falls below the projected levels the revenues of the Society will be reduced. In the case of a technical fault, the Society will endeavour to make sure that this is covered by warranties and/or insurances.
2. Current expectations relating to the global energy market and the UK electricity industry will remain reasonably consistent and reasonably favourable to the installations over the next 20 years, resulting in continuing demand for electricity.
3. Historic Government commitment to retaining Feed-in Tariff rates for existing projects at existing rates will be retained in spite of any cuts for future projects.
4. Prices at a reasonably similar level to those currently obtainable will be achieved through the life of the Installation (after allowance for annual inflation).
5. Operation and maintenance costs will be incurred from the start of operations and will rise no faster than inflation.

20 year income and expenditure projections

Year	1	2	3	4	5	Summary 6-10	Summary 11-20	Summary 1-20
Profit and Loss (£)								
Income from FIT	4,653	4,722	4,792	4,864	4,936	25,793	57,551	107,311
Income from Exports	2,974	3,018	3,063	3,108	3,155	16,485	36,783	68,586
Income From Sites	7,151	7,257	7,365	7,475	7,585	38,068	74,140	149,041
Operating Income	**14,778**	**14,998**	**15,221**	**15,447**	**15,676**	**80,346**	**168,475**	**324,939**
Export Meter Charges	480	490	499	509	520	2,758	6,407	11,663
Services and Maintenance	1100	1122	1144	1167	1191	6,320	14,682	26,727
Rates and Insurance	773	788	804	820	837	4,441	10,318	18,782
Administration	1400	1428	1457	1486	1515	8,044	18,687	34,016
Operating Expenses	**3,753**	**3,828**	**3,905**	**3,983**	**4,062**	**21,564**	**50,094**	**91,188**
GROSS PROFIT	**11,025**	**11,170**	**11,316**	**11,464**	**11,613**	**58,782**	**118,381**	**233,751**
DEPRECIATION	6800	6800	6800	6800	6800	34,000	68,000	136,000
NET PROFIT FOR DISTRIBUTION	4,225	4,370	4,516	4,664	4,813	**24,782**	**50,381**	**97,751**
Members Interest Payments	6800	6800	6800	6800	6400	28,000	68,000	136,000
Operating Cashflow	6,800	6,800	6,800	6,800	6,800	**34,000**	**68,000**	**136,000**
Less Capital repayment to members	-	-	-	8,000	8,000	**40,000**	**80,000**	**136,000**
Opening Cash	-	6,800	13,600	20,400	26,000	**32,800**	**66,800**	**136,000**
Closing Cash	6,800	13,600	20,400	26,000	32,800	**66,800**	**136,000**	**136,000**

Notes on the Financial Projections

1. The projections in this offer document are based on work carried out for the Board by Emma Worth and Sharenergy and are aligned with industry best practice. Each assumption has been documented and evidenced. The figures are based on contracts entered into and estimates received by the Society.
2. All profits are either distributed to members as interest or gifted to the community fund and hence there is no liability for Corporation Tax.
3. Income is based on 20-year Feed-in Tariff (FiT) period with the locked-in FiT Generation Tariff of 4.17p/kWh ; electricity sales as negotiated with host sites; the current FiT export rate of 5.24 p/kWh.
4. All generation yield is based on the conservative industry Standard Assessment Procedure (SAP 2012). On-site usage amount is based on system size and on-site demand as provided by hosts. An annual degradation factor of 0.5% is applied to all generation as per the performance guarantee of the panels.
5. Service and maintenance will be carried out by a third party contractor for less than £10/kW and a sinking fund to cover component and inverter failure at the rate of £5/kW for the first 15 years.
6. Insurance costs are set at £6.50/kW/year based on a quote from a reputable broker that is underwritten by Royal Sun Alliance.
7. Administration costs of the Society include £1400/year covering book-keeping, production of annual accounts, maintenance of membership database, preparation of AGM papers and annual return, FCA and other regulatory fees
8. Depreciation of equipment is straight-line over the 20-year period and creates a fund to pay back Members' capital. Capital is here modelled as being returned to Members annually after year 3.
9. The projections are based on a default position where the panels are decommissioned at the end of 20 years operation and have no residual value. In practice it is expected site owners will wish to take over ownership.
10. Inflation on electricity and RPI are modelled at 2%.

Solar installation has brought work to our area.

Risk Factors

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity. Attention is drawn to the following:

General investment risks

- The value of shares can fluctuate according to the value of the underlying business.
- Offer Shares will not be transferable or traded on a recognised stock exchange.
- Members wishing to withdraw their share capital will be able to apply to the Board for this purpose after the third year of operation. Withdrawal of share capital is at the discretion of the Board.

Renewable energy industry risks

- Government policy towards renewable energy may change. However throughout the operation of the Feed-in Tariff (FiT) successive Governments have maintained the commitment to the process of 'grandfathering' which ensures that whatever tariff a project is registered for at the commencement of operation, will remain the same for the duration of the FiT period. This payment is also index linked.
- New technology, inventions and developments may render existing technologies and equipment obsolete. However, solar PV efficiencies are progressing slowly so that technological advances of this magnitude within the life of the project are considered unlikely.
- Long-term changes to weather patterns could result in lower levels of production. However, there is no evidence that the Society is aware of that this will affect energy production at this site. Atypical short-term weather conditions could affect expected levels of generation, although overall patterns outside anticipated parameters are unlikely.
- Operational costs may rise faster than anticipated during the life of the Project.

Risks specific to the Society

- The projections are based on the predicted solar yields. If the solar yields were to be lower on average over the project period then members' return would reduce. However, conservative assumptions using industry-standard methods have been used.
- Equipment failure due to exceptional circumstances would increase maintenance costs and this would impact on Society income. However, end-user warranties will be in place for panels, balance of plant and workmanship. Accidental and malicious damage will also be covered under insurance and public liability insurance is provided.
- Any changes to the FiT that occur before the panels are commissioned could result in a change to projections, or in the worst case, non-viability of the project. However the Society has applied for Pre-registration from Ofgem to ensure that the modelled FiT level is available until January 2019.

  If commissioning were to be delayed such that this FiT was not available, Members' predicted return would reduce.

Management & Administration

This section provides details of the Board, Members and the running of the Society.

The Board

Maggie Paul (Chair) is a former teacher, but for 25 years was a counsellor, therapist and trainer, now semi-retired. She has a keen interest in renewable energy, particularly since her involvement as a leader in Climate Friendly Tisbury from 2007 onwards, which helped to raise awareness of alternative energy. She feels that Nadder Community Energy is now the ideal vehicle for our neighbourhood to take things forward**.**

Sue Reed (Secretary) has lived in Tisbury for 15 years and has been active in community groups including Climate Friendly Tisbury and Tisbury Community Garden. As a parent and resident of the area, she is enthusiastic about sustainability and renewable energy.

Dr James Meldau lives in Tisbury and works as a gardener. He is also a private tutor teaching mathematics and physics. His academic background was in physics. He has been keenly interested in environmental issues and renewable energy for many years.

Tim Plumptre is a retired international banker. Initially he joined a bank with a focus on Latin America and spent 35 years in eight countries. Starting in Brazil in 1969, this included 4 years in Mexico as Lloyds Bank's Representative. The last 13 years were with an international Canadian bank, where Tim managed their trade finance business and some other parts of their international activities.

On his retirement in 2003, he chaired The Canadian Council of the Americas, an organisation dedicated to promoting trade between Canada and Latin America.

Kate Clark lives in Tisbury with her husband Jamie and their two children. Kate has had a growing interest in promoting sustainability and renewable energy for many years. She feels passionately about working together as a community to reduce our dependency on fossil fuels. Kate runs a small business that supports sustainable development through promoting traditional crafts.

Dick Ripper worked in factory management for Unilever and Cadbury Schweppes, mostly overseas in Malaya, Brazil, India, Trinidad, Nigeria, and U.S.A., and then in the UK. Finally, he set up as an energy consultant in the UK, advising small/medium companies. On retirement, continues to do a lot of voluntary activities. He was project leader of the Shaftesbury Trinity Trust. His factory jobs covered energy economy, he has run 3 successive cars on L.P.G.

Lucy Stone grew up just outside Tisbury, and is an environmentalist, specialising in climate change. She helped set up one of the first community energy organisation, and worked for the UN as a climate change advisor. She is now a freelance consultant and advises grant making strategies for foundations and political strategies for campaigns.She is married to a Mexican, with two children, and set up a company to support Mexican women sewing cooperatives with inspired by the desire to support traditional crafts and introduce the rich heritage of Mexican textiles to the UK.

Ralph Perry Robinson has been involved in architectural practices specialising in Listed Buildings and conservation for 28 years (of which over 18 have been spent in Teffont) and has a keen interest in sustainable and low energy construction. He is a member of the Passive House Trust and was Energy Policy Officer for Wiltshire Council, promoting renewables and energy efficiency. He also makes furniture.

Current shareholdings of Directors

The total shareholdings of Directors,and their direct family members amounts to £17,501.

Consultants

Emma Worth provides professional services in the energy and construction sectors through her Company Nadder Energy. She has worked as a teacher in Secondary and further education in Wiltshire and Dorset

Richard Ecclestone, after careers as an army and a police officer, runs his own consultancy managing projects for clients in the utilities sector. He is particularly tuned into environmental issues having recently completed a Masters Degree in Sustainable Development. He also works in the education sector as a forest school leader. He initiated and delivered the project to install solar panels at Ludwell Primary School.

Disclosure

None of the directors of Nadder Community Energy have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies or receiverships, or received any public recrimination or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

Conflicts of interests

There are no conflicts of interest.

Remuneration

The Secretary recieves a monthly stipend.

Ralph Perry Robinson has provided computer consulting services since the death of Hugh Synge and liaised with project management of the share offer.

No other remuneration has been paid to Directors. Directors' share applications will be met in full, but there are no pension schemes, share option schemes and, except for the reimbursement of expenses, there are no other benefits for Directors.

Board practices

Directors serve in accordance with the Rules. There are no service contracts for them or the Secretary. The Society will have no employees and the business is not dependent on key individuals. Day-to-day operations will be managed by the Society, under the supervision of the Board.

As a Community Benefit Society, Nadder Community Energy complies with statutory requirements and those of the Financial Conduct Authority (FCA). As the Shares will not be listed, Nadder Community Energy is not obliged to comply with The Combined Code on Corporate Governance.

Administration

The Company Secretary oversees the administration of the business with specific services being outsourced and in particular £1,400 to cover book-keeping, production of annual accounts, maintenance of membership database, support of members, preparation of AGM papers and annual return, FCA and other regulatory fees.

Accounts

Nadder Community Energy was incorporated on 12th August 2015. Its financial year-end is 31 March.

Legal proceedings

There have been no governmental, legal or arbitration proceedings relating to the Project or Nadder Community Energy and none are pending or threatened which could have a significant effect on the financial position or profitability of the Society.

Rules of the Society

Community Benefit Societies are governed by Rules approved by the Financial Conduct Authority. A copy of the Rules is available on the Society's website or from the Society (see contact details on p.2 of this Offer).

Further information

Other documents mentioned in this Offer are available from the Society (see contact details on p.2 of this Offer).

General information sourced from third parties in this Offer Document has been accurately reproduced. As far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Share Offer

Reasons for the Offer and use of proceeds

This Offer is being made so that:

- Nadder Community Energy and its Members are able to generate renewable energy and benefit the local community, both financially and through the generation of low-carbon electricity.
- The Society can raise the funds required to install the solar installations
- Members may be as far as possible drawn from the local community.

Offer Shares

136,000 (One Hundred and Thirty Six Thousand) ordinary Shares of £1 are offered at par and payable in full on acceptance of an application on the Terms and Conditions of this Offer Document. The Shares, which will not be traded on any stock exchange, have been created under the Co-operative and Community Benefit Societies Act 2014.

Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by Sharenergy, on behalf of the Society, at The Pump House, Coton Hill, Shrewsbury, SY1 2DP, or any successor business address. Each person or organisation issued with Shares becomes a Member of the Society, with membership rights defined in the Rules. The principal rights are:

- One vote per holding on resolutions of the Members, including in relation to the appointment of Directors.
- The right to receive a proportionate annual interest payment as a return on the investment in shares (subject to available surplus).
- The right to the return of the original investment at the end of the life of the Installation (subject to available surplus assets and any new business of the Society).
- As a Member, eligibility for election to the Board.

Share allocation

Shares will be allocated on a first come, first served basis. For the avoidance of doubt there are no separate share classes – all shares whenever issued are equivalent Member Shares, carrying exactly the same rights. Similarly, all Members of the Society have equal status.

Interest payments

It is intended that interest will be paid on the balance of each Member's account at a projected rate of 5% (paid gross, annually). Interest payments are restricted to that rate which in the opinion of the Directors is required to obtain and retain the capital required by the Society.

The intention of the Board is to make the first interest payment in May 2020, following the first full year of operation of these installations and approval by the Members at the Society's AGM.

Any interest unclaimed for a period of 7 years will be cancelled for the benefit of the Society.

No special procedures have been established for non resident holders.

Voting rights

Each Member has one vote, regardless of the number of Shares held. There are no pre-emption rights.

Rights to share in profits/surpluses

All Members are entitled to share in the interest approved by the AGM, out of annual profits. Such payments will be divided equally between the total Shares in issue.

When the Installation comes to the end of it life, should Members choose to liquidate the Society, assets will be realised and the net proceeds applied in repaying Members' share capital. Any surplus will not be paid to Members but will be transferred to another body with similar aims as required by the Society's Rules.

Payback and withdrawal of share capital

Based on the business plan approved by the Directors, Nadder Community Energy intends to return Members' capital starting from Year 4 with all capital being repaid by Year 20. It is intended to do this at 1/17 of the capital invested each year (see Cashflow Summary for details); this is subject to financial performance.

Members may apply to withdraw some, or all, of their shares from the start of Year 4, subject to sufficient funds being available and at the discretion of directors.

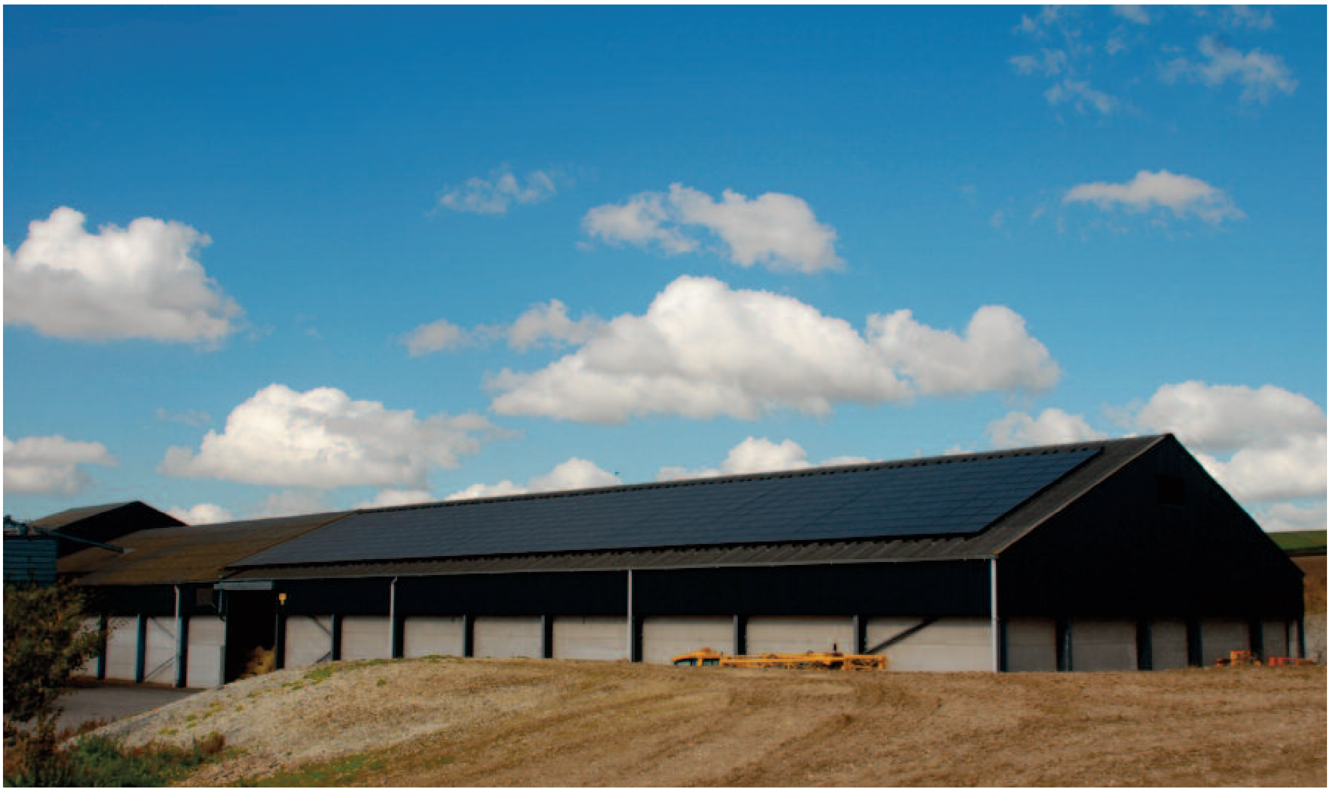
Taxation

Interest payments made to Members will be subject to United Kingdom taxation. It is expected that payments will be made gross and investors will be responsible for declaring this income on their tax returns.

Provisions on death of a Member

In accordance with the Society's Rules, on the death of a member of the Society, their personal representative can apply for withdrawal of the share capital. Return of share capital under this provision will be prioritised by the Board over any other return of member's capital.

▼ *This well designed roof-top PV system on a farm building at Berwick St Leonard was one of the first in our area.*



Terms & Conditions

Eligibility

The Offer is open to any person (over 16 yrs old) or organisation meeting the membership requirements.

Application procedure

- Shares shall be applied for using the Application Form following the Guidance Notes.
- By delivering an Application Form an Applicant offers to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of Shares specified, or such lesser number as may be accepted.
- An Applicant who receives Shares agrees to automatic membership of the Society and to be bound by its Rules.
- An application once made cannot be withdrawn.
- Multiple subscriptions will be admitted providing that they do not result in a Member (other than a Registered Society) holding more than the maximum amount.

The Offer timetable

The Offer will remain open until all shares are subscribed. None of the Society, its Directors or advisors will be responsible for loss of interest or any other benefit suffered by Applicants during the period the monies are held by the Society.

Procedures on receipt of Applications

- Offer cheques/banker's drafts will be presented on receipt and may be rejected if they do not clear on first presentation.
- Surplus Application Monies may be retained pending clearance of successful Applicants' cheques.
- Applications may be rejected in whole, or in part, or be scaled down, without reasons being given.
- Application Monies in respect of any rejected or scaled-down Applications shall be returned no later than one month after the end of the Offer.
- No interest is payable on submitted Application Monies which become returnable.
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate.
- The Society reserves the right not to enter into correspondence with Applicants pending the issue of share certificates or the return of Application Monies.
- Results of the Offer will be published on the Project website within one month after the Offer has been closed.
- In the case of oversubscription, Directors' applications will be met in full and the Directors shall, at their discretion, determine the appropriate allocation of Shares.
- Share certificates will be issued to successful Applicants within one month after the end of the Offer Period.**Pricing, trading and dealing arrangements**

Shares are offered at their par value of £1. The underlying asset value of each Share is likely to remain at £1 and any Share redemption will take place at par.

Applying for Shares

Before completing the Application Form you should consider taking appropriate financial and other advice. Your attention is particularly drawn to:

- The Risk Factors section which describes risks relating to an investment in the Offer Shares.
- Terms and Conditions of the Offer. By completing the Application Form you will make an irrevocable offer which may be accepted by the Society.
- The Rules of the Society. In buying Offer Shares you will become a Member of the Society and will be bound by those Rules.

Amount to invest

The price of each share is £1. The minimum number is 50. The maximum is 50,000. Annual interest payments will be based on the number of Shares you hold, but you will only have one vote, regardless of the number of Shares you hold.

Allocation

The number of Offer Shares you apply for will not necessarily be the number of Shares you will receive. If the Offer is over-subscribed your application may be scaled down, or even rejected in its entirety.

Declaration

In signing the Application Form you are making an irrevocable offer to enter into a contract with the Society. Under Money Laundering Regulations, you may be required to produce satisfactory evidence of your identity and it is a condition of the 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.

Payment

Please attach a cheque or bankers draft, drawn on a UK bank or building society, for the exact amount shown in the box under 'Amount to invest'. You may also pay by bank transfer.

Declaration

I confirm my understanding 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 Offer Document.
- An Applicant who/which is not 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.
- If the Offer reaches its target early it is possible that an otherwise eligible Application will not be accepted in part or in whole.

I confirm that:

- I have read the Offer Document (including the Risk Factors and the Guidance Notes to this Application Form) and the Rules of the Society.
- I am over 16 and the Applicant meets the Offer eligibility criteria.
- The Society is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.
- The Applicant is not relying on any information or representation in relation to the Offer Shares or the Society that is not included in the Offer Document.
- The Applicant shall provide all additional information and documentation requested by the Society in connection with this Application, including in connection with money laundering, taxation or other regulations.
- If signing this Application on behalf of any person/organisation I am doing so with explicit authority.

I understand that any cheque supporting this application will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

Signature (Applicant/on behalf of Applicant organisation as applicable):	Date:

Payment

I wish to pay by cheque: ☐ Bank transfer: ☐ (tick as appropriate)

Cheque	**Transfer**
Please attach a single cheque or banker's draft for the amount shown above, payable to Nadder Community Energy Limited and crossed a/c Payee	Please transfer to the following account: Nadder Community Energy Limited Sort code: 08-92-99 Account no.: 65772917 Please use the Applicant name as the reference attached to the transfer.

Send your completed Application Form and payment to:

Nadder Community Energy Ltd
c/o Sharenergy
The Pump House
Coton Hill
Shrewsbury, SY1 2DP

or sign, scan and email to admin@sharenergy.coop

We would be grateful if you would inform us how you first heard of this Share Offer:

This application form can be photocopied and additional application forms are available. For all enquiries use the contact details on p2 of this Offer document.

Thank you for applying to join Nadder Community Energy.

Nadder Community Energy Share Application Form

Before completing this Application Form you should:

- Read the accompanying Share Offer Document;
- Pay special attention to the Risk Factors set out in this Offer Document;
- Consider where you need to take financial advice or other advice;
- Read the Rules of Nadder Community Energy available from the Society.

PLEASE USE CAPITALS AND BLACK INK AND COMPLETE BOTH PAGES

I wish/my organisation wishes to invest a total amount of £ [| | | |].00 in Nadder Community Energy on the Terms and Conditions of the Offer Document at the price of £1.00 per Share. You may invest not less than £50 and not more than £50,000.

Individual Applicant details

Title (Mr/Mrs/Ms/other):

Forenames:	Surname:
Address:	
Post code:	Day-time telephone:
Please provide your email address if possible to keep administration costs down.	

If you would like payments from the Society to be paid by bank transfer and not by cheque, please provide bank details:

Name on account:	
Sort code:	Account number:

If the Applicant is an organisation, please fill in the contact details above and also:

Organisation name:	
Organisation address:	
Type of organisation:	Registration number:
Position of authorised signatory:	

All applicants: please continue and sign the Declaration overleaf.

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Glossary

Applicant
An applicant for Offer Shares through submission of an Application Form.

Application Form
The form in this Offer Document which must be completed and returned in accordance with the Terms and Conditions of this Offer and the Guidance Notes.

Application Monies
The total gross sum realised by this Offer.

Board
The Board of Directors of Nadder Community Energy.

Climate Change
The phrase widely used to describe changing weather patterns as a direct result of global warming.

Community Fund
A fund endowed by the Society which is to be distributed to local organisations.

Directors
The directors of Nadder Community Energy.

FiT (Feed in Tariff)
Incentive for electricity generation introduced by HM Government on 1st April 2010 under powers from the Energy Act 2008.

Nadder Community Energy (or the Society)
Nadder Community Energy Ltd. A Community Benefit Society Registered with the FCA No. 7189.

Nadder Community Energy Shares
Ordinary shares of £1 in Nadder Community Energy.

Installations in this Offer
Document refers to the solar PV panels, inverters, cabling and ancillary equipment of the Project.

kW (kilowatt)
A unit that measures power and is equal to 1 thousand watts.

kWh (kilowatt hour)
A unit that measures energy and is equal to the energy that can provide the power of 1 kW for the period of one hour.

MWh (megawatt hour)
A unit that measures energy and is equal to the energy that can provide the power of 1 MW for the period of one hour.

Offer
The Offer of Shares in the Society contained in this Offer Document.

Offer Costs
The expenses incurred by or on behalf of the Society in issuing this Offer Document.

Offer Period
The period during which the Offer will remain open (including any extension) as set out in the Offer timetable in this document.

Offer Shares
New shares of £1 in the Society, offered at par on the Terms and Conditions and payable in full on application.

PPA
Power Purchase Agreement for the sale of electricity.

Project
The proposed ownership and operation by the Society of one or more Solar Installations

Projections
The financial projections for the Society set out in this document.

Regen SW
The renewable energy agency for the southwest.

Rules
The Rules of the Society, available on demand.

Sharenergy
Sharenergy Co-operative Limited. A Registered Society (registered no. 31237R)

Sites
The location of the proposed Solar Installations.

Terms and Conditions
The terms and conditions of the Offer contained in and constituted by this Offer Document.