



**Bath & West
Community Energy**
Generating local energy

Share Offer Document

Updated December 2023

Thank you for your interest in becoming a member and investing in Bath & West Community Energy.

By becoming a member, your investment will help us to:

- **Increase renewable energy capacity**
- **Reduce carbon emissions and fuel bills**
- **Invest in the local community**

We need your support as we have schools and other buildings lined up to have rooftop solar PV systems installed. To do this we need to raise a further £800,000, thereby increasing our current share offer from £2 million to £2.8 million by June 2024.

Target Interest rate of 5% per year

Open Share Offer

BWCE is a Community Benefit Society
registration number 30960R



The St Mark's School Solar Array -
Members of school staff, PTA & pupils April 2023



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

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

Become a member of Bath & West Community Energy

We are a successful not for profit community benefit society, owned and directed by our members. We focus on developing clean local energy, community-owned for the common good.

Established in 2010, we've fitted solar panels on a range of schools and community buildings as well as larger ground mounted solar arrays and one small hydro scheme, generating enough electricity to match the equivalent annual demand from 4,500 homes. We have also been working on a series of innovation pilots around closer matching of energy demand and local energy supply plus are in the process of developing a home energy efficiency service and leading on the delivery of Green Open Homes events.

This updated share offer provides the opportunity for you to join BWCE and help us build more renewable energy and increase our local impact.

Our Share Offer

Through this share offer, we are seeking capital to enable us to complete the installation of nearly 800 kW of solar PV across 7 roofs, including 6 schools and to enable us to repay some existing investors. We also have a larger pipeline of solar PV projects coming through that we want to raise capital for.

You can invest anywhere between £100 and £100,000. By buying shares you will become a member of Bath & West Community Energy (if you are not already) and there will be opportunities for you to play a part in the organisation to the level that suits you, from voting at our AGM to standing for election to our Board. We have democratic decision-making built into our structure, with a requirement to operate on the basis of one member, one vote.

We are transparent, for example providing a clear statement of director earnings on our website or working on an open book basis with our partners, or making key documents like business plans, key policies and annual accounts easily available via the www.bwce.coop/transparency page of our website. We also involve our members in strategic decisions wherever possible, for example around the development of our business plan or the development and adoption of key policies. There are also increasingly opportunities to support our work in communities across our area through volunteering.



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BWCE is a Community Benefit Society (No. 30960R) registered with, but not regulated by the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014.

The information contained in this offer document has been prepared under the supervision of the directors of Bath & West Community Energy, who take responsibility for its contents. To the best of their knowledge, all information is accurate.

The issue of withdrawable and non-transferable shares exempts this Offer Document from the requirements of an approved prospectus set out in section 85(1) of the Financial Services and Markets Act 2000. This means you have no right of complaint or recourse to the Financial Ombudsman Service in relation to this investment.

A community benefit society is registered with, but not authorised by, the FCA and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

BWCE complies with statutory requirements and those of the FCA. As the shares will not be listed, the Society is not obliged to comply with the UK Corporate Governance Code.

An investment in the shares offered in this offer document carries risks and you may lose the whole value of your investment. Please consider it carefully in the context of this complete offer document and related information and, if needed, seek independent advice.

Wildflower Meadow at BWCE's 2.34MW Wilmington
Ground Mount Solar Array near Bath



1 Welcome Message

We are delighted to invite you, through this share offer, to invest in Bath & West Community Energy and become a member, or invest again if you are already a member in one of the leading community energy organisations in the UK.

This is a challenging but vitally important time to tackle the looming threat of climate change. A threat thrown into stark relief by the recent IPCC reports and increasing temperatures. As scientists confirmed that July 2023 was the hottest month on record, alongside unprecedented reductions in sea ice coverage and rises in sea surface temperatures The UN Secretary General, Antonio Guterres, said

Climate change is here, it is terrifying, and it is just the beginning. The era of global warming has ended; the era of global boiling has arrived – It is still possible to limit global temperature rise to 1.5C and avoid the very worst of climate change but only with dramatic, immediate climate action.¹

We believe that now is the time to mobilise local community action, demonstrating to our politicians a groundswell of opinion in support of the urgent political action needed to address the challenges we now face. Community energy provides practical opportunities for people to become part of the solution, delivering tangible benefits and demonstrating support for change.

We are proud of BWCE's achievements to date. We have developed a not-for-profit community energy model that has helped us build a wide range of community owned solar PV projects and one small hydro scheme, recycle £380,000 of surplus back into local community projects via our community fund and provide fair rates of interest annually to our members. We are now one of the largest community energy businesses in the country – but this is still so very far from being enough.

Since this share offer was first launched in 2019, we have:

- Raised just over £2 million and built out over 1.2MW of new rooftop solar across – thirteen rooftop solar installations on schools and two on leisure facilities.
- Developed an extensive pipeline of new community renewables projects to be built out over the next 12-18 months.
- Updated our business plan outlining how we will continue to grow our community renewables projects and expand the community model to embrace local energy supply, energy demand management and energy efficiency.

This share offer will help us to raise the capital necessary to expand even further our portfolio of community solar PV schemes.

- Established a number of pilot projects testing the community energy role in new energy markets and begun the development of a new home energy efficiency service, to be launched in Autumn 2023.

In addition to this, as members of BWCE you will have the opportunity to help us shape new ways of working that could develop new income streams, helping BWCE to continue to grow and increase our impact at a local and national level.

So please get involved if you can.

Help us do our bit to reduce our collective impact on the climate

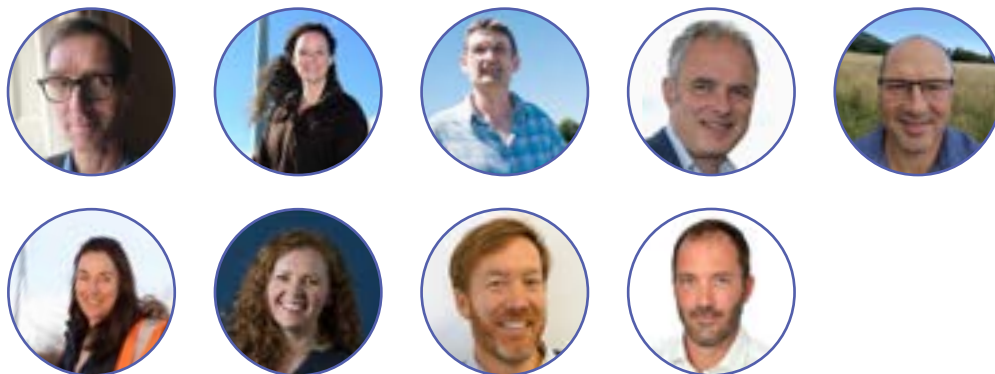
and, through positive action, demonstrate to our political leaders community support for the ambitious response to climate change and energy security we desperately need.

As well as making a clear statement in support of climate action, becoming a member of BWCE will also provide you with the opportunity to get involved in a not-for-profit community enterprise, democratically run by its members based on one member one vote. An organisation that is committed to carbon reduction and delivering community benefit, whilst still offering a fair rate of interest to its members.

We look forward to welcoming you to our next member meeting.

Board of Directors

Rupert Atkinson, Sonya Bedford, Pete Capener, Chris Crookall-Fallon, Dr. Daniel Davies, Louise Daniels, Felicity Jones, Matt Harnack, and Barney Rhys Jones.



Notes

1 UN Secretary-General on Climate – Press Release 27.07.23 <https://www.un.org/sg/en/content/sg/press-encounter/2023-07-27/secretary-generals-press-conference-climate>

2 Summary of Key Facts about this BWCE Share Offer

This offer is an invitation to become a member of BWCE and an opportunity to buy shares in the organisation, or to increase your investment if you are already a member. We require the new capital to enable us to:

- **Install more community scale (rather than domestic scale) roof mounted solar PV systems**, similar to the successful projects that BWCE already has in its portfolio. We have a target to deliver a further 800kW of new solar PV before June 2024, see section 7.2 for a breakdown of the project pipeline. If we raise more capital than needed to deliver our rooftop solar programme, the board reserves the right to invest this additional capital in other projects with appropriate project returns, e.g. ground mount solar.
- **Re-finance some of our existing capital**, improving liquidity, allowing some existing shareholders to more easily withdraw their shares.

You can find more detail about how capital raised will be used in section 7.2, and further information on the share offer in the table below.

Target interest rate	5% per year subject to performance and the risks outlined in this offer document. See section 7.6 for details of share interest policy. From now on, this interest rate will apply to all shares purchased since February 2019.
Impact on existing shares	Nothing in this offer document will otherwise affect the rights and returns associated with BWCE's existing shares as outlined in previous share offer documents and interest rate policies approved by members. See sections 7.6 and 7.7 and section 8 on risks for more information.
Interest payment	<p>Interest for the financial year ending in March each year is paid annually after approval at our AGM in the following September and without the deduction of tax.</p> <p>You may be liable to pay income tax on this interest, although some interest can be received tax free under the Personal Savings Allowance, see HMRC website and section 9.8 of this offer document.</p> <p>Interest is considered a cost of the business and is not a distribution of profit. Higher than forecast returns from projects will be re-invested in BWCE's activities and utilised for community benefit and not be reflected in higher than target interest rate payments.</p>
Rights	Purchase of shares entitles the holder to full member rights as outlined in our Rules, available on our website at www.bwce.coop/bwce-documents/

Withdrawal	Shares are withdrawable, subject to funds being available, at the discretion of the BWCE Board and in line with our share withdrawal policy that requires the Board to deal with share withdrawal requests on an annual basis except in exceptional circumstances. See section 9.6.
Minimum investment per applicant	£100
Maximum investment per applicant	£100,000, including any shares from previous BWCE share offers.
Target sum to raise	This open offer has raised just over £2 million to date. We are now looking to increase this amount to £2.8 million by the end of June 2024. The BWCE Board reserves the right to raise more funds, as required by the Society.
Minimum sum to raise	There is no minimum fundraise. All valid applications will be converted into shares and all capital raised will be utilised for the purposes outlined in this share offer document.
Tax relief	Shares are not eligible for EIS or SISR tax relief. They will normally be exempt from inheritance tax providing they are held for two years. You should seek further advice from a financial advisor or accountant on tax matters as appropriate.
Timetable	This is an 'open' share offer so there is no formal closing date, but we do have fundraising targets as outlined above. BWCE's Board reserves the right to temporarily suspend and reopen the share offer based on its needs for share capital.
Eligibility	Anyone aged 16 or over may apply for shares. Co-operatives, community benefit societies, companies and other incorporated associations may also apply.
How to apply	Applications can be made via www.bwce.coop/invest

3 Our Society

As a Community Benefit Society, BWCE is radically different from an ordinary company: we are democratically run and must prioritise benefit to the wider community rather than just our own members or shareholders.

A Community Benefit Society is an established legal structure favoured by social enterprises within the energy sector. It is attractive to ethical investors and protects the founding principles and ethos of the business with an asset lock (see section 9.14).

Key features of the BWCE Community Benefit Society:

- Membership of BWCE is based on shareholding which is open to anyone aged 16 or over who supports the aims of the Society.
- Shares are valued at £1 each. The maximum shareholding is £100,000 per member.
- We plan to pay our members interest on their shares. This is not a distribution of profits but is regarded by the Financial Conduct Authority (our registering body) as a cost on the business.
- BWCE is run democratically. Members have one vote regardless of the number of shares they own. One Member – One Vote.
- All shares issued by the Society have equal member rights but are eligible for different rates of interest as specified in the conditions outlined in the relevant share offer document or subsequent interest rate policy approved by members.
- Members are invited to participate in the running of the Society, for example by attending general meetings, or standing for election to the Board, and to engage with the work of the organisation.
- Membership is governed by our Rules which are available for download from our website, www.bwce.coop/bwce-documents/.
- We are registered with the Financial Conduct Authority (FCA). Our registration number is 30960R.

3.1 Our Team

Our committed and experienced team has a diverse range of expertise. We hold a firm belief in the importance of community energy and the power it has to address climate change, support local communities and generate economic benefit.

Our team has:

- An excellent track record in the delivery of community energy projects.
- Expertise in renewable energy and energy efficiency projects.
- Entrepreneurial zeal and business management experience.
- A wealth of electricity contracting and negotiation experience.
- A strong financial track record.
- Legal and financial expertise.
- A history of working on community projects in Bath, its surrounding areas, and beyond.

3.2 Our Board

Our Board meets at least four times a year, and is made up of six elected member directors, two co-opted directors and BWCE's Managing Director. The majority of our Board of directors will always be elected by our membership. Any member aged 18 or over is eligible to stand for election to the Board as an elected member director, and elections are held at each AGM.



Rupert Atkinson (chair of Finance Sub Committee): Rupert is a finance professional, business mentor and private investor in start-up / scale-up technology companies – many of which are pioneering examples of the positive environmental change being initiated by the private sector.



Sonya Bedford (Deputy Chair): Sonya is a Partner with Spencer West solicitors; a non-executive director at Regen; a trustee of the Centre for Alternative Technology, a director of South Dartmoor Community Energy and vice chair of Green Wedmore with 20 years' experience of energy issues.



Pete Capener (Managing Director): Pete has worked in the sustainable energy field for over 35 years. He led the early growth of the Centre for Sustainable Energy in Bristol where he was Chief Executive until resigning in 2002 due to family illness. He is Deputy Chair of Community Energy England, co-chair of a ministerial advisory group on community energy and a trustee of Centre for Sustainable Energy.



Chris Crookall-Fallon (Chair): Chris is presently Head of Climate Action at a district council in Gloucestershire. Previously he's worked for an energy consultancy for many years and for a specialist co-operatives and social enterprise business consultancy.



Dr. Daniel Davies: Dan has worked in the renewable energy sector for over 30 years. After completing his PhD in wind and solar technology he worked for Halcrow and co-founded Solarcentury where he was Chief Technology Officer and set up Solarcentury Africa.



Louise Daniels: Louise is Head of Communications and Marketing at Thrive Renewables, a renewable energy investment company which owns and operates a portfolio of onshore wind, hydro and battery storage projects across the UK.



Matt Harnack: Matt provides strategic and operational management support to solar farm owners, asset managers and O&M providers through his business Harness Energy Consulting. His clients own, operate and develop around 5000MW of solar farms and battery storage facilities.



Felicity Jones: Felicity (Fliss) is Interim Head of Client Solutions at Kaluza and was previously a partner at Everoze, a technical and commercial energy consultancy. She has a background in energy storage, flexibility and innovative business models.



Barney Rhys Jones: Barney is the Asset Management Director for Octopus Renewables' 1GW sSolar portfolio, having spent nearly 14 years in the clean tech sector. He previously worked as Portfolio Director at Oxford Capital, overseeing £350M of investments in solar, anaerobic digestion and grid response.

3.3 BWCE Staff



Catherine Adams (Green Open Homes Engagement Coordinator):

Catherine works with partners to organise Green Open Homes B&NES. She has a background in marketing, community engagement and business development, specialising in engineering and construction with a keen interest in retrofit.



Eve Aston-Davies (Renewable Energy Project Developer): Eve is a Renewable Energy Project Developer with BWCE, developing community rooftop solar projects and advocating for onshore wind energy. Eve has experience in project management and is an Associate with the zero carbon consultancy RenewEV.



Nick Bird (Community Engagement Manager): Nick manages BWCE's community outreach and engagement work. He has over 30 years' experience of managing community projects and events, promoting community engagement and delivering training for a range of charities, public sector bodies and housing organisations.



Steve Cross (Flex Community Support Officer): Steve is responsible for mapping domestic rooftop solar installations onto grid network maps to identify potential participants for our Flex Community Peer-to-Peer trading trial. He is also involved in the Go Green Widcombe community group.



Cathy Crozier-Cole (Home Energy Service Manager): Cathy leads on the development of BWCE's new home energy retrofit service. She has worked in sustainable energy for over 20 years and brings a wealth of expertise on home energy efficiency, having advised various organisations on low energy retrofit policy and practice.



Dinah Darby (Events & Networking Coordinator): Dinah is responsible for developing BWCE's programme of events and outreach/networking activities. Dinah has a wealth of experience in administration and events coordination having worked in both the education and charity sectors for over thirty years.



Sara Grimes (Head of Community Business Development): Sara leads on BWCE's new business development. She has 13 years local government experience around climate initiatives and planning policies on renewable energy and net zero buildings and also worked in community organising and environmental and consumer advocacy in the USA.



Joe Hurley (Project Developer): Joe is responsible for developing BWCE's rooftop solar projects. He has 15 years' experience working of leading procurement teams and expediting large complex projects through to timely completion, all underpinned by a BEng Hons in Computer Aided Engineering. He is an Associate with RenewEV.



Alex Jones (Operations Manager): Alex is responsible for strengthening BWCE's operational systems and processes. She has a decade of operations experience, managing complex projects for charitable and commercial organisations, and also has experience in education, working in partnership with universities, embassies and cultural organisations.



Jenny Knight (Administrator): Jenny is responsible for ensuring that all operational systems at BWCE operate smoothly and provides administrative support to the BWCE team across various projects. Jenny has a wealth of experience in various administration roles, working in both Charity and Education settings.



Alex Lockton (Development Coordinator): Alex leads BWCE's asset development team. He has worked in the renewable energy industry for 14 years, running businesses which design, install and operate all forms of renewable energy including Solar, Wind, Biomass and Heat Pumps. He is a partner in the zero carbon consultancy RenewEV.



Jonathan Logsdon (Retrofit Coordinator): Jonny provides home energy efficiency oversight and advice, including for listed & historic buildings. He has over 20 years' experience as an architect, is a certified passive house designer and qualified PAS 2035 retrofit coordinator and has experience of working on buildings of various types, scale and complexity.



Sally Merrett (Home Energy Lead Assessor): Sally is part of BWCE's Home Energy team helping to lower carbon emissions and increase comfort in local homes. Sally has a MSc in Renewable Energy and a BSc in Energy Studies and 30 years experience of carbon reduction projects and large and small scale renewable energy projects.



Julia O'Connor (Marketing & Communications Coordinator): Julia is responsible for overseeing the internal and external communications across the organisation. She brings over 20 years experience of working in Marketing Communications both in the private and not for profit sectors.



Nicola Passam (Green Open Homes Project Manager): Nicola is event manager on the Green Open Homes project. She has experience of working in the charity sector delivering large scale events, which included fundraising dinner, celebration events and high profile speaking evenings plus the Bath Digital Festival and the wellbeing festival- ReBalance Bath.



John Rawlins (Project Developer): John is responsible for developing BWCE's rooftop solar projects. He has worked for a variety of companies, trained as a Chartered Management Accountant and then an Executive MBA at the University of Bath. He is a partner in the zero carbon consultancy RenewEV.



Benny Talbot (Technical Lead - Community Business Development): Benny is responsible for developing new work areas and providing technical support to projects. He has experience of community energy innovation, flexibility services, local energy supply, low carbon transport, including community engagement around these technologies.



Alison Turnbull (Innovations Project Manager): Alison manages BWCE's innovation projects, with a current focus on Flex Community. She has worked in the renewable energy industry for 20 years as a renewable energy consultant plus on the development of small-scale PV community schemes.

3.4 Board Practices

All directors except for the Managing Director are unpaid and, beyond reimbursement of expenses, receive no other benefits for being a director. BWCE is managed day to day by its Managing Director who, as the sole executive director, is paid as an employee. A statement on Director's earnings is provided on our website at www.bwce.coop/statement-of-directors-earnings/.

3.5 Conflicts of Interest

The Board is not aware of any actual or potential conflicts of interest between directors and any of its partners outlined in section 10.

3.6 Legal Proceedings

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



Site Survey at the Wilmington Solar Array

4 Our Purpose

As defined by our Rules, BWCE aims to “carry out any business for the benefit of the community that involves promoting, facilitating, developing and running renewable and low carbon energy and energy efficiency projects in Bath and the surrounding areas”.

Our vision is for an energy system where:

- Local people can buy low-cost, clean energy direct from local energy projects
- Energy projects are owned and shaped by their communities – giving local people a voice in decision-making, and a stake in local projects
- We maximise the proportion of our electricity that comes from renewable sources with a more flexible network that better matches energy supply and demand at a local level
- Collective action helps drive social change around energy behaviours and drives down energy demand

Community energy rests at the centre of this vision by harnessing local capital, generating returns that recycle into the local economy, increasing the profile of local energy supply and so shining a spotlight on how and when we use energy on a day-to-day basis.

The strategy outlined in our business plan focuses on the following four goals:

1. Maximising Community Renewables
2. Enabling Local Energy Supply
3. Expanding the Community Energy Role in the Energy Transition
4. Increasing Recognition of BWCE and the Community Energy Model

BWCE's mission is to put people at the heart of the transition to net zero by placing ownership and control of energy in the hands of consumers via clean energy projects that actively involve and benefit local communities

– Clean Local Energy, Community Owned for the Common Good. BWCE's business plan is available for download from the website at www.bwce.coop/bwce-documents/.

The funding from this share offer will help us to deliver more of the following:

Reducing carbon output

Our primary purpose is to mitigate climate change by reducing carbon emissions caused by electricity generation. We are pleased to say that our projects generate enough electricity to meet the equivalent annual electricity demand from 4,500 typical UK homes² and reduce carbon dioxide emissions by the equivalent of the full carbon footprint of just under 900 local residents.³ This share offer will allow us to install more solar PV systems and further reduce carbon dioxide emissions.

Encouraging behavioural change

Mitigating climate change requires more than just replacing fossil generation with renewable energy. To achieve sufficient carbon reduction, we need to reduce and modify our electricity usage too. We must encourage people to use energy more efficiently and to be flexible so that they can use renewable generation when it is available. We believe that community ownership of local renewable energy projects helps raise the profile and understanding of energy use. We know from surveys⁴ that being a member of BWCE encourages discussions about climate change and community energy and encourages people to take action to reduce their carbon footprint. We also know that many of the schools we have worked with have used our solar PV systems as an educational tool, creating awareness amongst the next generation.

Generating community benefit

We create community benefit from activities which help us to reduce carbon emissions and build community resilience by:

- Taking important local assets like renewable energy generation equipment into community ownership.
- Recycling value generated by our projects back into the local economy, through energy bill savings for building owners that host our community solar schemes, interest payments to local investors, creating local jobs and supporting local suppliers wherever possible.
- Distributing surplus cash via our local community fund, see below.

We retained £615,000 or approximately 35% of last year's electricity generation income locally. The vast majority of these funds would not stay in the local area if our projects were purely commercial in nature.

The BWCE Fund

We have set up a separate charity called the Bath & West Low Carbon Community Fund CIO (known as the BWCE Fund), to distribute our community fund. Each year surplus income is gifted to this charity. Up to September 2023, we have donated £380,000 and the fund has provided grants to 91 community projects that promote carbon reduction or alleviate fuel poverty. We are delighted by how many small local groups we have been able to support so far. By expanding our solar portfolio through this share offer we will be able to fund more of these community projects.

You can read more about The BWCE Fund and member interest payments in section 7.6. Information on the full range of projects can be seen on our website at www.bwce.coop/community-benefit/

Notes

- 2 Assumes 2,900 kWh per year consumed by a typical home without electric storage heaters. From Ofgem <https://www.ofgem.gov.uk/publications/decision-typical-domestic-consumption-values-2020>
- 3 Assumes 0.21107 kg CO₂e/kWh of electricity generated, including transmission and distribution losses <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022> Also assumes 3.1 tonnes CO₂ emissions/capita for residents in Bath & North East Somerset. For comparison Wiltshire is 4.2 tonnes CO₂ emissions/capita and South Glos 3.7 tonnes/capita. Published in 2022 by BEIS <https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2020>
- 4 BWCE member surveys in 2015, 2018 and 2021 all suggest that being a member of BWCE helps people take action. The most recent survey suggested 77% of people talk more to friends, family, neighbours or colleagues about community energy (5% no help, 18% doing it anyway), 70% talk more about climate change (6% no help, 23% doing it anyway) and 65% have taken actions to reduce their carbon footprint (4% no help, 35% doing it anyway).

5 The BWCE Fund in Action

Energy Sparks

Donations from the BWCE Fund have helped Energy Sparks to test its website and energy education programme in local schools. Energy Sparks uses a range of educational and analysis activities to teach primary and secondary school pupils about energy, and empower them, their teachers, school management and the wider school community to take action to make their schools more energy efficient. The project has now gone nationwide.

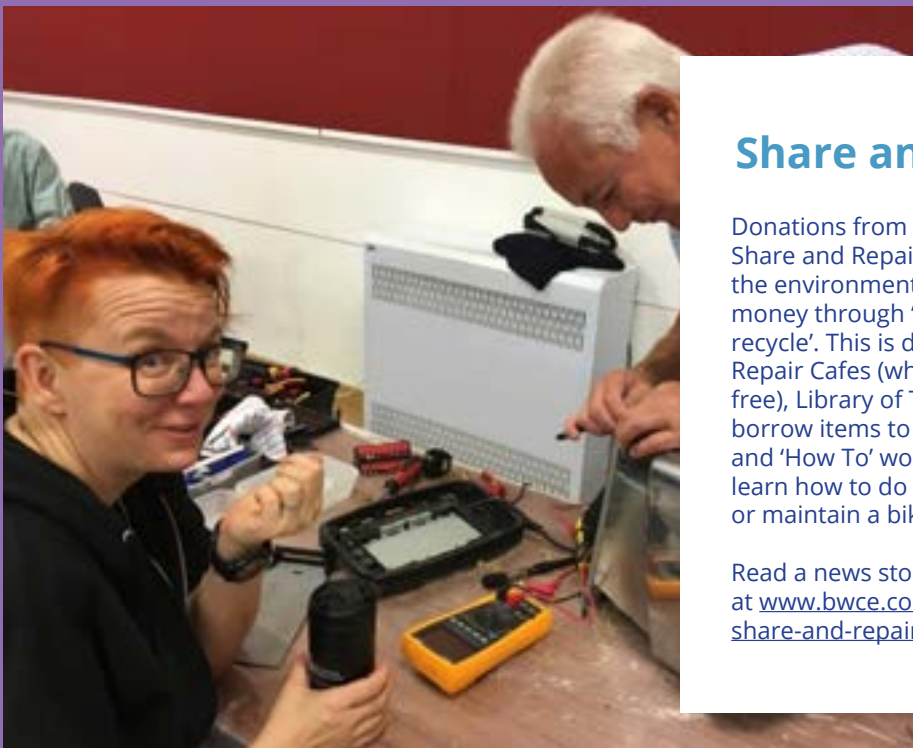
Read a news story about Energy Sparks at www.bwce.coop/community-fund-profile-energy-sparks



Share and Repair

Donations from the BWCE Fund have helped Share and Repair to change behaviours, help the environment and enable people to save money through 'repair, reduce, reuse, and recycle'. This is done through a mixture of Repair Cafes (where items are mended for free), Library of Things (where people can borrow items to reduce the number bought) and 'How To' workshops (where people can learn how to do things such as use power tools or maintain a bike).

Read a news story about Share and Repair at www.bwce.coop/community-fund-profile-share-and-repair



Bath City Farm

The BWCE Fund donated £5000 towards an air source heat pump and ventilation system for the new purpose-built community hub and café at Bath City Farm. The heat pump extracts heat from the air and passes the heat through a network of pipes into the floor slab, where it is stored and slowly released. On hot days the automatic ventilation system works in addition to the natural ventilation provided by the doors and windows, extracting hot air from the top of the building. At night this system can work in reverse and draw cold air into the building, cooling it down in preparation for hot weather the following day.

Read a news story about Bath City Farm at <https://www.bwce.coop/bwce-fund-supports-low-carbon-cafe-at-bath-city-farm/>



Carers Centre Food Garden

The BWCE Fund donated £4000 to create a food garden where carers of all ages can learn, socialise and grow their own food in order to increase sustainability and food security, whilst reducing carbon emissions. Due to the efforts of volunteers, a new greenhouse and raised beds have been installed, plants, herbs and vegetables are growing and food and foraging workshops have been held.

Read a news story about the Carers Centre Food Garden at www.bwce.coop/bwce-fund-supports-sustainable-food-for-carers



Corston Community Orchard

The BWCE Fund donated £1880 to establish a rainwater harvesting, storage and distribution system to ensure there is a sustainable and sufficient water supply so that the newly planted trees and hedging can thrive. Currently this is proving vital during the drought of summer 2022 with the group informing BWCE that without it the trees would have really been struggling!

Read a news story about Corston Community Orchard at www.bwce.coop/bwce-fund-trustees-visit-corston-community-orchard



FACE (Families Acting on Climate Emergency)

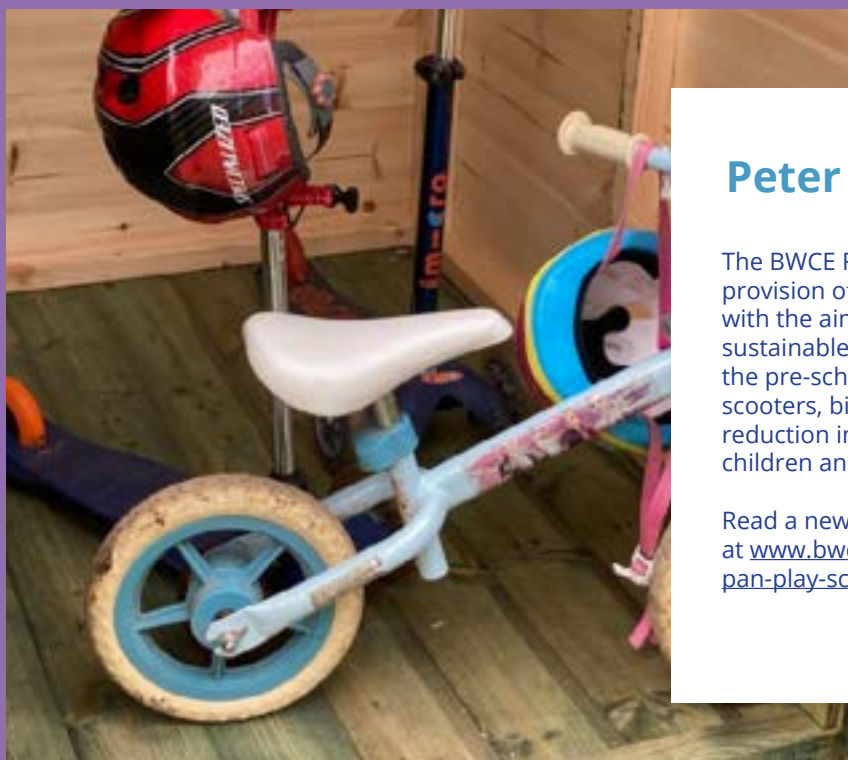
The BWCE Fund donated £1725 to help build the FACE community in schools and other settings across the B&NES area, and to research needs, opportunities, barriers and triggers for climate action amongst local families. The funding has helped FACE become involved in supporting clean air days, school gardening clubs, reduced school emissions, promoting walking and cycling to school, making school events sustainable and encouraging take up of veggie and vegan school lunches.

Read a news story about FACE at www.bwce.coop/bwce-fund-supports-families-to-take-action-on-climate-change

Fairfield House

The BWCE Fund donated £4600 for the Fairfield House “zero to hero” energy sustainability assessment, to appraise the potential for energy saving, carbon and cost reduction and use of renewables at Fairfield House, a multi-cultural and multi-faith place of welcome in Bath. The report and insights from the research will be used to support funding applications for the energy transformation of Fairfield House.

Read a news story about Fairfield House at www.bwce.coop/bwce-fund-helps-iconic-heritage-building-towards-energy-efficiency



Peter Pan Play School

The BWCE Fund donated £1000 for the provision of a bike, scooter and pram shed with the aim of encouraging families to use sustainable transport for their commute to the pre-school. Having a safe place to store scooters, bikes and buggies has led to a reduction in car journeys, more exercise for children and the development of scooter skills!

Read a news story about Peter Pan Play School at www.bwce.coop/bwce-fund-supports-peter-pan-play-school

Julian House Bike Workshop

The BWCE Fund donated £4827 towards the running costs of the Bath Bike Workshop.

The bike workshop, based in central Bath, is both a shop servicing and selling bikes and an employability services for homeless and socially excluded people. Our funding has helped Julian House to enable and encourage more local residents to take up cycling, whilst at the same time help some of the most vulnerable people in the city.

Read a news story about Julian House at www.bwce.coop/bwce-fund-supports-julian-house-bike-workshop



Keynsham Community Energy

The BWCE Fund donated £2970 to help volunteers at Keynsham Community Energy (KCE) receive training and run an energy efficiency programme, which included presentations to local organisations, pop up energy efficiency cafes, energy efficiency advice leaflets and the donation of free draught-proofing and other energy efficiency products to local households. The programme engaged the local community in issues such as energy independence, renewable energy, energy efficiency and climate change and through it KCE have been able to build support for future activities, including more energy cafes.

Read a news story about this project at www.bwce.coop/bwce-fund-supports-keynsham-energy-efficiency-drive



6 Our Business

BWCE was set up in 2010 with the aim of creating a financially sustainable community enterprise delivering renewable energy, energy supply and energy efficiency projects via a strong community model.

Our Community Benefit Society structure requires us to pay a fair interest to our investors and to use our surplus for community benefit. Although BWCE is a not-for-profit organisation, our renewable energy projects generate a surplus so that we can pay for our running costs, pay interest on any capital we borrow, and contribute to the BWCE fund. All our activities are carefully assessed to test their financial viability.

We're proud of our achievements to date. With the help of our members, investors and partners we have:

- Installed 31 roof mounted solar PV systems across schools and community buildings, five ground mounted solar PV systems and one hydro scheme.
- In total we have installed 13.95 MW of renewables capacity, generating enough to match the equivalent annual electricity demand from 4,500 households.
- Raised £12.5 million through community shares and bonds and £10 million through commercial loans to fund these projects. A significant proportion of the initial community bonds have now been repaid. For information on our current debt to equity balance see section 7.9.
- Delivered a range of innovation projects exploring the shifting of energy demand during the day to better match local energy supply, including Solar Streets and Flex Community™. For more information see <https://www.bwce.coop/energy-demand>
- Helped set up three community energy enterprises and supported others to raise a further £8m plus commercial loans to build a further 13 MW of solar PV.
- Set up an independent charity to distribute £380,000 of our cash surplus as grants to other local community projects focussing on fuel poverty and carbon reduction.
- Paid a fair return on member shares over the last seven years, see section 7.7, and paid the interest due on the three different bonds we have issued.

Our projects are held in a range of wholly owned subsidiaries of BWCE in order to limit liabilities and to more easily enable the organisation to draw in debt finance. One subsidiary is 10% owned by the business park to which the 250kW solar system supplies electricity. However, member interest is based on the project performance across all projects, so risk is spread.

We have updated BWCE's business plan to 2025 which is now available for download from our website at www.bwce.coop/bwce-documents/.

The business plan outlines a range of outcome targets, summarised in the table below.

Outcome Target	Current position in 2023	Growth to 2025 depending on scenario
Community generation - Number of households' equivalent annual electricity demand matched	4,500	5,200 - 19,600
Community generation - Percentage of all local households' demand matched	4%	5.5% - 17%
Carbon Reduction - Tonnes CO2/yr reduced	3,300	3,800 - 14,400
Biodiversity Improvement on Ground Mount Solar Sites - % net gain	50% on one site so far assessed	55% across all sites
Community Benefit - £/year fuel bill reduction from rooftop solar	£140,000	£140,000 - £250,000
Community Benefit - £/year funds donated	£50,000	£48,000 - £140,000
Community Benefit - £/year revenue retained in West of England area	£685,000	£650,000 - £2,100,000
Engagement Impact - % of network that takes action to reduce carbon footprint	53%	55% - 70%
Innovation - community business models replicated where viable for local supply, storage, energy efficiency and flexibility.	No	Partial

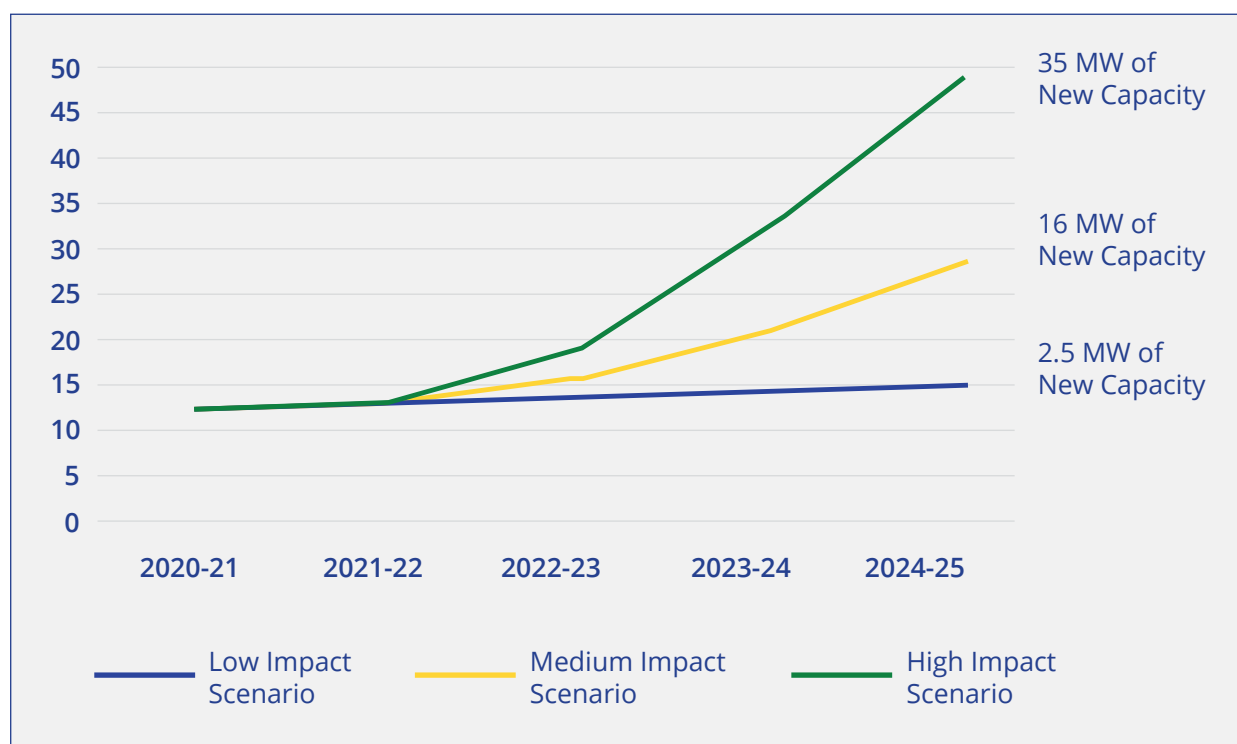


Flex Community (UK demo of the EU funded ReDREAM project) UK Project Meeting in Bath Between Partners from Across Seven European Countries – June 2022

Underpinning these targets is the goal to maximise community renewable energy and expand the scope of BWCE community energy business model to address energy demand as well as supply.

The degree to which we can increase our renewable energy capacity will depend on a range of strategic milestones like securing sufficient grid capacity and planning permissions. This uncertainty is reflected in a range of scenarios for growth, as outlined in the graph below.

Potential Renewable Energy Capacity Growth to 2025 (MW)



This share offer will enable us to continue this growth by funding the construction of a further phase of our project pipeline. See section 7.2 for more information. Our current development pipeline suggests we are on track to meet our medium scenario targets, with the primary limiting factor being the capacity of the grid to accept new connections.



Flex Community – Optimising the Use of Electric Vehicle ChargePoints, Heat Pumps and Electric Water Heating to Minimise Carbon Emissions and Grid Constraints and Maximise the Use of Renewables.



50kW Solar PV panel
installation at Castle Mead School

7 Share Offer Financial Information

7.1 Summary

BWCE is seeking to increase our open share offer from just over £2 million (August 2023) to £2.8 million by end of June 2024. The Board reserves the right to raise further funds to meet future needs as required.

These funds will be used to continue to build out our solar project pipeline, as outlined below.

7.2 Building new community solar projects

Our recent track record of project installations and our upcoming development pipeline is outlined below.

	KW	Capital Cost (including development)
Built out January 2022 to September 2023 – rooftop solar		
Lansdown Golf Club	41	£39,565
Ralph Allen School (3rd system)	25	£22,750
Writhlington School	170	£155,449
Hayesfield School	91	£96,164
Somervale School	114	£112,344
Beechen Cliff School	260	£214,821
Norton Hill School	160	£146,803
Three Ways School	129	£100,699
Corsham School (2nd system)	33	£30,853
St Augustine's College	70	£60,352
St Marks School	70	£74,238
St Johns Primary School	41	£40,707
St Mary's Primary School	24	£29,665
Sheldon School	214	£208,076
Dragonfly Leisure	189	£152,471
Total built out to date	1,631	£1,484,957

	KW	Capital Cost (including development)
To be built out before September 2024		
Roof top solar on 8 buildings, including 6 schools – Focus for this share offer	961	£871,191
Fairy Hill ground mount solar	1,500	£1,278,683
To be built out before March 2025		
Roof top solar on schools and colleges	834	£714,484
Forest Gate ground mount solar	10,000	£8,106,200
Total built out to date	13,295	10,970,558



114 kW Solar PV Installation at Somervale School – Installed August 2022

The capital costs outlined above include both the costs of developing the projects as well as the installation costs and the cost of the solar panels, inverters and other associated equipment.

We are confident that the 8 rooftop solar projects highlighted in the table above, and the focus of this share offer, will be delivered. Some of the school rooftop solar schemes (based in Keynsham) will be developed in partnership with Keynsham Community Energy.

We are however in the final stages of negotiating leases with a number of the building owners and so it is possible that some may fall away. We are however seeing new schemes coming forward all the time so we are very confident that any drop outs will be replaced by new projects. This reflects the pattern seen during the last 18 months of installing the 1,600kW of solar, also outlined in the table above.

The Fairy Hill Solar scheme is just going into planning, so construction will be dependent on whether planning approval is secured. The Forest Gate solar scheme involves taking 20% of a commercial development by Eden Renewables into community ownership and will be done in partnership with Zero North Wilts. Forest Gate has got planning and has a grid connection date of March 2025, so construction on that project will not start until later in 2024. Both the ground mount schemes will be the subject of separate fundraises.

All new solar projects are financially viable without the Feed in Tariff subsidy that is no longer available for new projects. The rooftop solar projects sell electricity to the building owner at a discount to what they are currently paying with a 'never pay more than' cap. The cap provides security to the building owner in the current climate with exceptionally high energy prices. The sale of electricity is secured through 20-25 year power purchase agreements providing price security to both parties.

The ground mount solar schemes under development will sell electricity to an energy supplier through the wholesale electricity market. Whilst the prices are high at the moment, these are long term investments, so discussions are underway with large local energy consumers about long term power purchase agreements that provide price security for both parties.

7.3 Supporting Capital withdrawal

We currently have over 960 members investing over £7 million in shares in BWCE, and 200 bondholders who have invested £1.5 million in community bonds. Bonds are redeemed over agreed time periods. Shares, however, are withdrawable by request, subject to the availability of funds and Board approval. Shares are long term investments, and will be repaid within the 25-30 year lifetime of the projects, using funds generated by the projects themselves. However, we recognise that sometimes people may wish to withdraw their shares early if they find they have need of the capital for other purposes, and we aim to ensure that BWCE can accommodate requests for withdrawal when they arise.

Part of the share capital raised through this offer (maybe in the region of 10%) will be used to make it possible for existing shareholders to more easily withdraw their capital and/or bondholders to redeem community bonds. The new share capital raised through this share offer will attract a lower or equal rate of interest than the share or bond capital it is replacing. Capital replacement of this type would support BWCE by reducing the total

amount of interest payable. This reduction in cost of capital will make it easier for us to develop new projects without subsidy in the future and increases our ability to deliver carbon reduction and community benefit.

For more information on our weighted cost of capital see section 7.9 and sections 7.6 and 7.7 for more information on our approach to balancing the two sub classes of BWCE's shares (the shares allocated as part of this open share offer and the shares allocated before February 2019).

In years when share withdrawal requests exceed capital available, BWCE's share withdrawal policy (see section 9.6 for more detail) gives the board discretion to spread repayment over time so as to not increase risk to all shareholders. To date the board has approved the repayment of all share withdrawal requests in full within the expected timescale.



7.4 Summary of BWCE's current financial position

BWCE's accounts up to year end March 2022 have been filed with the FCA and are available on our website via each relevant AGM page at www.bwce.coop/annual-general-meetings/. Accounts for 2022-23 have been audited and are in draft form following adoption at our AGM in September 2023 and filing with the FCA.

	2022-23	2021-22	2020-21
Society funds at year end			
Fixed assets	£16,888,233	£16,516,445	£15,881,666
Member share capital	£7,027,268	£6,396,450	£6,181,500
Society reserves (or losses)	£2,413,562	£2,241,716	£1,428,587
Long term liabilities (loans & bonds)	£9,307,801	£9,934,615	£10,385,519
Net assets	£9,440,830	£8,638,166	£7,610,087
Member share capital			
Opening balance of member share capital	£6,396,450	£6,181,500	£5,814,200
New share capital invested during year	£820,484	£371,950	£405,300
Share capital withdrawn during year	(£189,666)	(£157,000)	(£38,000)
Closing balance of member share capital	£7,027,268	£6,396,450	£6,181,500
Membership levels			
Number of members at the beginning of year	844	815	726
Number of new members joining	136	41	96
Number of members leaving	19	12	7
Number of members at the end of the year	961	844	794

	2022-23	2021-22	2020-21
Use of Society funds			
Interest on shares purchased pre-Feb 2019	7%	4.7%	5.7%
Interest on shares purchased post Feb 2019	5%	4%	4%
Interest paid on share capital	£412,308	£276,203	£317,440
Community fund payments	£40,000	£40,000	£40,000
Total Comprehensive Income	£167,359	£808,942	£87,165
Addition (reduction) to society reserves	£171,846	£813,129	£91,788

Interest on shares and community fund payments are considered discretionary payments and are approved at the AGM in September following the close of the related financial year at the end of March. As a result, these payments appear in the financial accounts of the year in which they are made rather than the year that they are related to. For example, the share interest and community fund payments linked to the financial year 2021-22 were approved at the AGM in September 2022 and so appear in the financial accounts for the financial year 2022-23.

BWCE has a policy of revaluing its assets in line with market value. This revaluation is done annually with an independent valuation every 5 years or at any time there is a change in the discount rate used. The weighted average discount rate across both rooftop and ground mount solar arrays is currently 7.4% and reflects the current market based on an independent review. The annual revaluation tends to offset the impact of depreciation and reflects the fact that a traditional straight line approach to depreciation greatly undervalues the market value of solar assets during their early years.

The impact of revaluation is shown in the Total Comprehensive Income figure in the table above. Total Comprehensive Income represents the sum of the net surplus (loss) and the change in asset value indicated by that year's revaluation. Total Comprehensive Income is shown as a separate line in our audited accounts, as part of the Statement of Comprehensive Income.

In the last year the revaluation was lower than in the previous year due to reduced wholesale electricity prices and inflation in the short to medium term, though both are still significantly higher than a couple of years ago. Inflation also has a significant impact on the income for existing renewable energy projects because the Feed in Tariff income they receive is linked to the Retail Price Index.

7.5 Membership changes

During the last year 136 members joined BWCE, and 19 left following deaths of existing members and share withdrawals. We are keen to broaden our membership as much as we can and have over the years reduced the minimum buy-in for shares to £100.

We would particularly like to welcome new members within our local area. For more information on the geographical scope of our area, see section 2.2 in our Business Plan Overview available on our website www.bwce.coop/bwce-documents/.

7.6 Share interest policy

BWCE's shares are split into two sub classes, shares purchased before February 2019 and shares purchased after this date. Interest on the earlier shares is set at 3.5% above the Retail Price Index (as set in the December of the year in question), with a cap set at 7%.

Interest on shares issued after February 2019 was originally set at a target rate of 4%, subject to project performance. In the first share offer document linked to this open offer and issued in February 2019, there was a commitment to raise this to 5% within three years if possible. This increase has been approved by the board and will now apply to all shares purchased after February 2019.

Shares issued under this offer will provide the same membership rights as existing shares.

At the end of each financial year, BWCE's Board will review the performance of all renewables projects against budget. If projects underperform, the proposed interest rates and BWCE Fund payments will be reduced pro rata to account for the value of that underperformance. If in the future there is not sufficient surplus to pay all members at the interest rates in place at the time for their sub class of shares, all interest rates will be reduced by the same factor.

In years where performance is higher than forecast, additional surplus will not be distributed to members in the form of interest. BWCE's Board is required by our Rules as a Community Benefit Society and overseen by the Financial Conduct Authority, to maximise benefit to the wider community rather than individual members.

Outlined in this document, the shares are linked to BWCE as a whole, and not just to these individual projects. The payment of interest on the share capital, and repayment of the capital itself (as outlined in sections 7.3 and 9.6), is linked to the overall financial performance of BWCE and not just to the financial performance of the individual projects outlined in this share offer document.

7.7 Historic payments of share interest

Share interest payments across the last three years have all hit their target figure. Interest on shares purchased before February 2019, set at 3.5% above RPI, was 7% last year but lower in the previous two years due to lower RPI (which was 2.2% in 2020-21 and 1.2% in 2021-22). Interest on shares purchased after February 2019 has been paid at the target rate of 4% with the target rate rising to 5% last year.

7.8 Other sources of capital in BWCE

In addition to the share equity of over £7 million, BWCE also has just over £9 million in bank loans and community bonds. The payment of bank loan and community bond interest and capital takes precedence over payment of share interest and capital. Payment of bank loan capital and interest is covered by our income. For more information on risk to capital see section 8.

7.9 Historic financial performance

More detail on BWCE's recent financial performance is provided in the table below, where BWCE's audited accounts for the last three years are summarised. For an explanation of our approach to revaluing our assets and Total Comprehensive Income and the background to this year's revaluation, see section 7.4 above.

During the 2022/23 financial year our projects generated just over 12,600 MWh which resulted in an income of just under £2m. Income has also been driven by grant receipts in support of innovation projects and funded feasibility study work on some of BWCE's larger renewable energy projects and payment of development fees charged to the projects and paid through capital funds raised.

Cost of sales has increased in the last year with inflation and following higher planned and unplanned maintenance on some of BWCE's older projects, where in particular inverters have been coming to the end of their normal operating life. The cost of the majority of these works has been covered by the maintenance reserve funds that are put aside each year to cover this kind of expenditure.

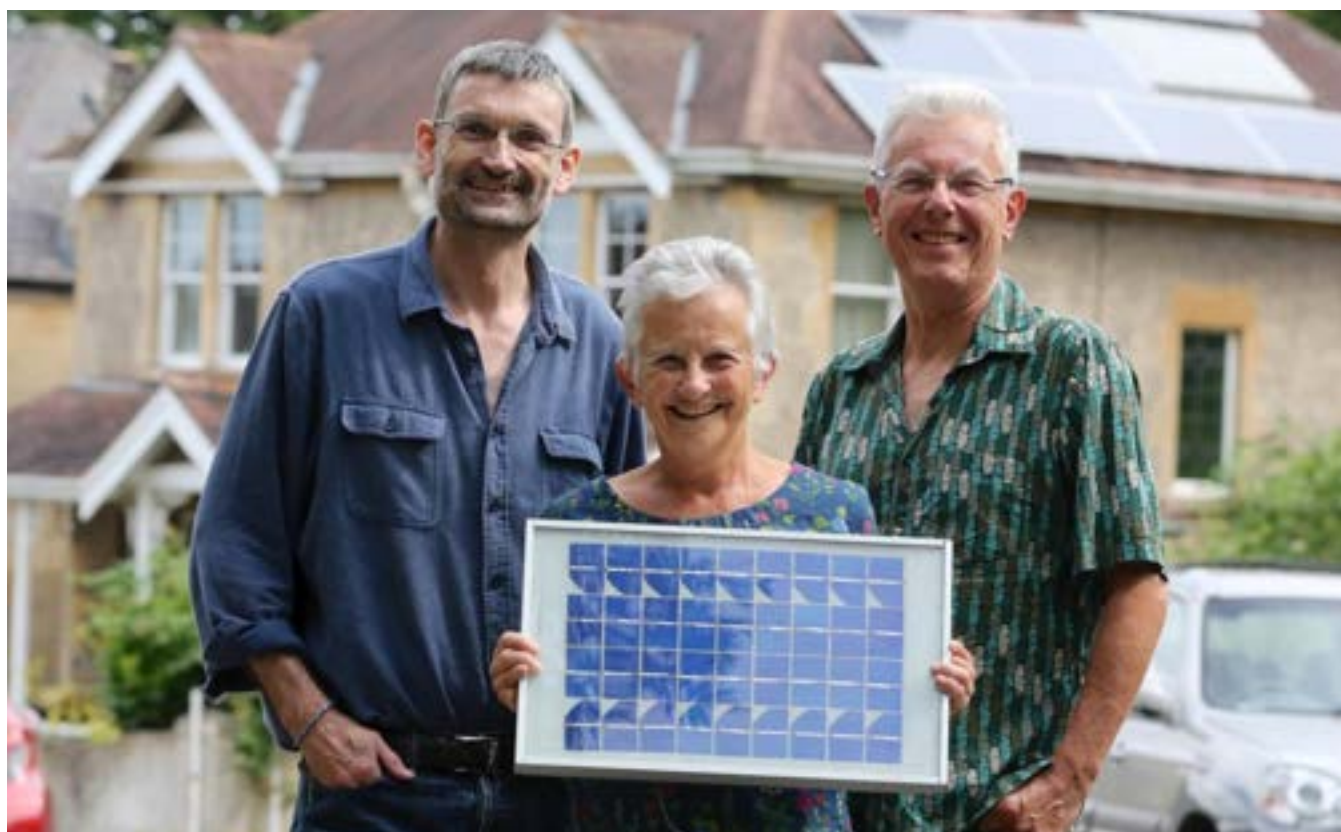
Overheads have increased as the staff team has grown to support the delivery of BWCE's projects.

With regards the balance sheet, net current assets are underpinned by high cash at bank. As at March 2023, cash at bank included £235,000 of capital reserve (unallocated capital funds raised to date), £352,000 of Maintenance Reserve (a growing fund to cover site maintenance), £450,000 of Debt Service Reserve (set to cover 6 months of bank interest and capital repayment) and £131,000 of funds received but not yet allocated on BWCE's EU funded innovation project, Flex Community.

BWCE has debt to equity ratio of 60%. Debt is a combination of senior debt from the ethical bank Triodos, based in Bristol, and bonds issued to individual community investors. All debt is at a fixed interest rate for nearly the full term of the loans and so has very limited risk to inflationary pressures. Debt has a weighted cost of capital of 3.9% as opposed to the weighted cost of share capital of 6.5%. As a result, the debt plays a positive role in bringing down the cost of capital and strengthening BWCE's financial position.

	2022-23	2021-22	2020-21
Trading Performance			
Electricity generation income	£1,984,533	£1,756,494	£1,742,605
Interest, grant and development income	£423,275	£282,082	£210,677
Total Income	£2,407,808	£2,038,576	£1,953,282
Cost of sales	(£578,169)	(£531,164)	(£408,481)
Overheads	(£450,704)	(£330,893)	(£302,016)
Interest on loans and bonds	(£419,655)	(£436,723)	(£461,235)
Surplus Before Members' Interest	£959,280	£739,796	£464,110
Members' Interest	(£412,308)	(£276,203)	(£317,440)
Depreciation	(£726,172)	(£554,320)	(£555,908)
Revaluation of assets	£346,559	£899,669	£183,583
Total Comprehensive Income	£167,359	£808,942	£91,785
BWCE Assets			
Project Fixed Assets	£16,888,233	£16,516,445	£15,931,040
Debtors less Creditors	£223,645	£179,399	£111,934
Cash at Bank	£343,628	-	-
Net Current Assets	£1,293,125	£1,876,937	£1,952,632
Total Assets Less Current Liabilities	£1,860,398	£2,056,336	£2,064,566

	2022-23	2021-22	2020-21
Less Long Term Liabilities (loans & bonds)	(£9,307,801)	(£9,934,615)	(£10,385,519)
Net Assets at Year End	£9,440,830	8,638,166	7,610,087
BWCE Capital & Reserves			
Share Capital	£7,027,268	£6,396,450	£6,181,500
Reserves less P&L account	£2,413,562	£2,241,716	£1,428,587
Total Group Funds	£9,440,830	£8,638,166	£7,610,087



Solar Streets – Domestic Solar, Battery Storage and Demand Management Across 16 Households in One Neighbourhood in Bath (see section 6)

8 Risks

All commercial activities carry risk – and community energy projects are no exception. If the Society has a bad year, you may receive less interest than projected. If something goes wrong on a longer-term basis, then your capital may be at risk.

Our shares are non-transferable, withdrawable shares, meaning they can't be traded but you can apply to withdraw if you need to. We make provision to cover this but the ability to withdraw at any particular time cannot be guaranteed. For further details, see section 9.6. We have made every effort to minimise risks to our shareholders. Please find below a summary of key assumptions and risks, along with the measures we have taken to minimise them.

Future profitability

Our ability to pay interest and repay the capital on these shares depends on BWCE continuing to make a profit. Your return on these shares depends on the financial success of BWCE and all its renewable energy projects, not the specific projects this share offer is raising money for. BWCE has been trading for 11 years and already has a successful portfolio of renewable energy projects which are receiving income from the Feed in Tariff scheme which is index linked for 20 years.

If BWCE achieves anything like the growth in new community renewables capacity indicated in the medium or high business plan impact scenarios (see section 6.1) then individual investor risk will be spread even further.

The new rooftop solar projects will be secured with 25 year power purchase agreements with the building owner, providing long term price security. Future ground mounted solar arrays will be connected directly to the grid rather than via a consumer. But these projects are also developed with a different type of long term power purchase agreement.

Whilst wholesale prices are high at the moment, these are long term projects. Price security over the whole project life may reduce overall income but will significantly reduce risk whilst we still expect to generate income to cover costs, repay capital and generate significant community benefit. See section 7.2 for more information on the development of new projects.

Project performance may be lower than predicted

Renewable energy generating equipment performance projections are based on methodologies commonly used by the industry. But long-term changes to weather patterns and/ or equipment under-performance may result in lower levels of electricity generation and therefore income. BWCE's assumptions around potential renewable energy generation levels each year are based on site capacity and yield calculations provided by our construction partners. These calculations and the solar insolation levels have been reviewed and verified as part of BWCE's due diligence process.

Grid capacity constraints limit ability to develop new projects

There are severe grid constraints in BWCE's local area at the moment. This is not yet impacting on roof top solar schemes in a significant way, although in some cases the grid network operator requires BWCE to limit export from roof top sites when the building owner can't use the electricity on site. But it may do in the future.

Grid capacity constraints are however delaying BWCE's ability to develop larger grid connected ground mounted solar arrays. The grid operator is working to upgrade the network but funding for their work is uncertain, and timescales are not clear. BWCE is in discussions with commercial developers looking to purchase and then build out larger ground mount solar projects as community owned assets, that already have their grid offers secured.

Share offer not raising enough capital

There is no lower limit on this share offer. New projects will only be undertaken if we attract sufficient capital to construct them.

This offer raising more capital than we can use

It is possible that we may not find enough financially viable new solar PV sites to use the capital we are raising. If this happens our share offer may raise capital which we may not be able to use profitably. We believe this is unlikely to occur because we will tailor the scale of our share marketing according to the imminent need for capital and we retain the right to pause the receipt of applications if we risk issuing too many shares. Our website will prominently make it clear if the share offer is temporarily paused. Finally, BWCE's board must approve all share applications and will always compare the pipeline with the capital available, before doing so.

Risk to capital repayment

BWCE's long term financial planning is based on a commitment to repaying all capital over the 25-30 year life of the projects concerned. Share purchase should be considered a long term investment, but provision is also made to enable shareholders to withdraw capital early if needed. See sections 7.2 and 9.6 for more information on capital repayment and BWCE's share withdrawal policy. The principal risk to capital comes if BWCE is wound up with significant creditors, for example bank debt. If this happened shareholders might only receive a percentage of their original investment or might lose it all.

The impact of regulatory and policy change on future income

Whilst the Feed in Tariff is no longer available for new projects, many of our existing projects do have 20-25 year Feed in Tariff contracts which forms the majority of their income. When the Feed in Tariff was removed for new projects in 2019, the government committed to not reducing the Feed in Tariff for schemes already registered. Whilst government policy can change, there would undoubtedly be legal challenge from the renewable energy industry as a whole if this was to threaten existing Feed in Tariff. Over the years the financial benefit that renewable energy projects have received from exporting power through the local electricity grid (and so being closer to demand and minimising losses) have been eroded. Future changes in regulation from Ofgem (the electricity regulator) may have positive or negative impacts on income, as may central government's Review of Electricity Market Arrangements.

Electricity prices

Financial projections assume industry standard forecasts for wholesale electricity prices. If wholesale prices drop, income from our larger community solar schemes drops.

However, for our existing large community energy projects we have the ability to take the minimum export tariff, part of the Feed in Tariff, if wholesale prices fall too far.

Our existing projects are viable based on forecasts that assume the FIT minimum export level for the majority of the project life, so anything above this is a bonus. As a result, we are protected against major falls in the price at which we can sell electricity from our larger community solar installations into the grid.

For our roof top schemes, our income is linked to the retail electricity price that building owners pay for the rest of their electricity. To date the increase in the retail electricity price year on year has been consistently higher than the inflation linked projections adopted in our financial modelling.

Equipment failure

All of our installations are covered by operations and maintenance agreements, and have operational insurance to mitigate against the impact of equipment failure. Our projects also generate a sinking fund that is added to each year to enable the replacement of equipment such as invertors, when they reach the end of their life.

Installation and operational costs

Higher costs for installation, service, admin, insurance and rates would reduce overall financial performance. This risk is mitigated through the use of fixed price contracts for installations and where operating costs are linked to inflation, the overall increase in costs will be relatively small compared to the same inflationary increase in income.

Unscheduled maintenance can erode financial performance. During the coming few years when projects will be earning higher income levels due to high electricity prices, greater investment will be made in existing older projects in order to minimise operational faults and maximise income.

Counterparty Risk

BWCE's rooftop schemes are dependent on the financial strength of the building owners and their ability to continue paying their electricity bills. Future schemes will focus on buildings not in at-risk sectors that have suffered during the pandemic, like hospitality and serviced office space, where BWCE has seen some problems. For example, the next tranche of projects that are being installed are all in schools.

9 The Share Offer

Up to 800,000 shares will be issued each with a par value of £1 on acceptance of a valid application on the Terms and Conditions of this offer document and subject to the Board rights outlined in section 9.1. The shares, which will not be traded on any stock exchange, have been created under the Co-operative and Community Benefit Societies Act 2014.

9.1 Targets

Our target is to increase the funds raised in this open share offer from just over £2 million to £2.8 million shares. There is no minimum below which shares would not be issued. All valid applications approved by the Board will be converted into shares. The Board reserves the right to increase this target if the purposes as outlined in this offer document require further funds.

9.2 Offer timetable

The share offer is 'open', that is, there is no closing date. The share offer will remain open until the target is reached or increased or until the Board decides to close the offer. BWCE retains the right to pause and restart acceptance of new applications according to the need that BWCE has for capital at any point in time.

9.3 Share allocation

You can apply at any time but shares will be allocated every 2 months on the last day of January, March, May, July, September and November. Interest on shares will start to accrue from the next allocation date after share applications and payment has been received. Successful applicants will receive share certificates and their details and holdings will be recorded in BWCE's share register managed by Neville Registrars on our behalf. Although marketing will be concentrated within our local area, there is no geographical restriction on share ownership and we welcome applications from the UK and beyond.

If there is a prospect that we will raise more share capital than we can profitably use in the immediate future, prior warning that the offer will be suspended will be given on our website. If this happens, all valid applications received before the date of suspension will be accepted. The Board reserves the right to accept or reject applications received after the suspension date. If applications are rejected, the monies will be returned within one month of the date of rejection, without interest. The applicant will be notified if and when the share offer is re-opened and will be invited to submit a new application.

9.4 Eligibility

Membership is open either to any individual (at least 16 years of age), or to any organisation with a registration number from Companies House or the FCA that supports the aims of the Society. Where an incorporated organisation applies to become a member, the application needs to include the name of a nominated representative, but the nominated representative can be changed in the future by appropriate

notification to BWCE by the member organisation. There is no provision for joint membership or for membership of unincorporated organisations. You can buy shares on behalf of children (see below).

9.5 Purchasing on behalf of children

Providing you are at least 16 years of age, you can purchase shares on behalf of any child. To do this, you must indicate your intention on your application form by ticking the checkbox provided. We will register the shares initially in your name. When your child reaches 16, you should confirm to us that you still wish to see the shares held in your child's name. If this is the case, we will obtain consent from the child that they wish to become a member, cancel the requested number of shares from your allocation and create the same number of shares with identical rights in the child's name.



Lansdown Golf Club – Installed January 2022

9.6 Provision for share withdrawal

Members may request the withdrawal of their shares, subject to Board approval. The Board of BWCE will seek to ensure that requests for withdrawal can be accommodated. This cannot be guaranteed but one of the purposes of this share offer is to ensure that new share capital can be accessed by the Society which in turn enables us to grant requests for withdrawal of existing share capital.

Applications for share withdrawal are processed once each year by the Board at the first Board meeting after the 1st July, except in exceptional circumstances.

The Board will act in line with our share withdrawal policy, available on our website at www.bwce.coop/bwce-documents/.

To date, all requests for share withdrawal from members have been accepted and fulfilled. Our financial strategy provides for the situation where all members wish to withdraw their shares over the next 20-30 years, and we fully believe that the Society will be in a position to do so.

9.7 Interest payments

All members are entitled to interest payments subject to the performance of BWCE's renewable energy projects, as outlined in section 7.5. All interest payments are paid annually after the AGM, usually held in September for the year ending the previous March. Share interest will be paid on the balance of each Member's account at rates reflecting performance of the Society's project portfolio and up to a maximum of the target interest rate in place at the time. Proposals for member interest will be made by the Board each year and will be voted on by members at the AGM.

9.8 Taxation on interest payment

Interest payments will be made gross and members will be responsible for declaring this income on their tax returns and for claiming any exemptions due to the Personal Savings Allowance or any similar scheme. If you are a basic rate taxpayer you are currently able to earn up to £1,000 in savings income tax-free. Higher rate taxpayers will be able to earn up to £500 tax-free. See the HMRC website for details. Shares are not eligible for the Enterprise Investment Scheme tax relief or Social Investment Tax Relief. Shares will normally be exempt from inheritance tax providing they are held for two years. You should seek further advice from a financial advisor or accountant on tax matters as appropriate.

9.9 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 or for transfer of the shares to another person. Return of share capital under this provision will be prioritised by the Board over any other return of Members' capital.

9.10 Application procedure

Before completing an application, you should consider taking appropriate financial and other advice. In completing your application you are making an irrevocable offer to enter into a contract with the Society.

Under Money Laundering Regulations, our receiving agent, Neville Registrars, will need to complete basic identity checks. 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.

Applications must be made online, helping us to minimise costs and speed the application process, via www.bwce.coop/invest.

If you are unable to apply online you can contact BWCE on info@bwce.coop for an application form.

All applications will be handled by our receiving agent, Neville Registrars, who also maintain our share registry. By making an application an applicant offers to subscribe, on these Terms and Conditions, for the number of shares specified, or such lesser number as may be allocated. An applicant who receives shares agrees to automatic membership of BWCE and to be bound by its Rules. The price of each share is £1. The minimum number is 100. The maximum per applicant is 100,000, subject to an overall maximum holding in BWCE of 100,000 shares. Multiple subscriptions will be accepted providing that they do not result in a member holding more than the maximum.



Community Solar on Lewis House in Bath

9.11 Procedures on application receipt

All payments whether bank transfer or debit card will be presented on receipt. Applications may be rejected in whole, or in part, or be scaled down. Monies in respect of any rejected or scaled-down applications shall be returned no later than one month after they have been allocated. No interest is payable on submitted application monies which become returnable. Incomplete or inaccurate application forms may be accepted as if complete and accurate. Monies received as share applications will be lodged in a BWCE client account until shares are issued. This money will be ring-fenced and the Society will not access or make use of it until shares are issued. In the event that shares are not issued, all application monies will be returned to the applicant.

9.12 Pricing, trading and dealing arrangements

Shares are offered at their par value of £1. The value of each share cannot rise but could fall if the net value of the Society's assets falls below zero. Shares are not tradable or transferable except on the death or bankruptcy of a member.

9.13 Payment

Payments may be made by bank transfer (details can be found on the application form), debit card (only via the online application form) or cheque. All payments must be in pounds sterling and drawn on a UK bank account in the name of the applicant and will be immediately presented for payment.

9.14 Asset lock

The Society has an asset lock incorporated into our Rules, ensuring that our assets can never be cashed in by, or transferred to, private individuals or commercial interests without fair return, except where repaying share capital to members. While trading, assets must be used for community benefit and in the event of the Society being wound up, any proceeds would be used to repay creditors and then share capital to shareholders at up to a maximum of £1 per share. Any surplus above this amount would be gifted to another society or charity with an asset lock with similar objectives.

9.15 Privacy

By becoming a member of BWCE you agree to communications by email with regards your membership and BWCE's work activities. You can view our privacy policy on our website at www.bwce.coop/privacy.



10 Our Partners



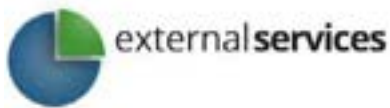
Aniron are an experienced solar installer delivering installations across a range of scales. Aniron are installing solar projects currently under construction.



Bright Renewables are a community owned asset manager with 83MW of renewable electricity capacity under management. BWCE are one of Bright Renewables founding members and owners. Bright Renewables manage BWCE's renewable energy projects.



RenewEV is a zero carbon consultancy set up by Alex Lockton and John Rawlins, members of BWCE's staff team. RenewEV is committed to the development of community energy projects and donates 5% of its profits to BWCE.



External Services provides specialist support services to a number of sectors including the renewable energy sector. External Services provides BWCE with accounting, payroll and HR support.



Neville Registrars have provided share registry services for 75 years across multiple sectors. Neville Registrars services and maintains BWCE share registry and acts as our receiving agent for this share offer.

BWCE also works with a range of operations and maintenance contractors, including [British Solar Renewables](#), [PSH Operations](#) and [Anesco](#) for ground mounted solar arrays and [Alt Energy](#) for roof top solar systems.

BWCE also works with a range of other partners in the delivery of its innovation projects, Green Open Homes and energy efficiency retrofit services. For more information see www.bwce.coop.

For all enquiries contact **info@bwce.coop**
or call **Jenny Knight** on **01225 683202**
Our website can be found at **www.bwce.coop**

Invest in BWCE and become a member
via www.bwce.coop/invest

Bath and West Community Energy Limited
A Community Benefit Society registered with
but not regulated by the Financial Conduct Authority

Registered No: 30960R

Registered Address: The Guild Hub,
High Street, Bath, BA1 5EB

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

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

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

