



# Harborough Solar One Limited

**Local energy generation for the benefit  
of our wider community**

## SHARE OFFER DOCUMENT



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](https://communityshares.org.uk)

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## Directors' Letter

### Dear Potential Society Member,

Harborough Solar One is your chance to directly own solar panels on roofs at Robert Smyth Academy and Archway House Natural Health Centre in Market Harborough. This will be our first installation. Our partner hosts will benefit from reduced electricity costs, and the project will generate a fund to support local community projects to alleviate fuel poverty and reduce carbon emissions.

Harborough Solar One is registered as a Community Benefit Society with the Financial Conduct Authority.

You are invited to become a member of the society. We are predicting a return on your investment of 5%.

This Share Offer Document gives you the information you need in order to decide if this investment is right for you. We hope you will decide to join us.

### Declaration

*The Directors hereby declare that the information contained in this Share Offer Document is to the best of our knowledge in accordance with the facts. An investment in the Harborough Solar One scheme involves a degree of risk and, in particular, attention is drawn to the risk factors set out in this Document. An investment in this scheme may not be suitable for everyone. Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice.*

Peter Jones OBE

David Robbins

Darren Woodiwiss



# Executive Summary

## Share issue offer

You are invited by Harborough Energy to invest in our first community share offer and become a member of Harborough Solar One Limited.

Harborough Energy's purpose is to seek out community energy propositions and enable them to be brought to fruition via community share offers. This represents the first of our share offers – by purchasing these shares, you will become one of 'our members'.

This share offer will seek to raise £183,600 to provide the capital investment required to fund the installation of solar photovoltaics to two sites within Market Harborough, in the county of Leicestershire.

By investing in this share offer you will also be helping us to establish a community fund of £109,500 over the 20 year lifetime of the project, to reinvest in Market Harborough community projects such as generating a fund to tackle fuel poverty.

### By investing in Harborough Solar One you will

- Earn a projected 5% on your investment
- Help us tackle local issues such as fuel poverty
- Help us reduce local carbon emissions

<b>Our share offer opens:</b>	<b>12th October 2015</b>
<b>Share offer closes:</b>	<b>9th November 2015</b>
<b>First Annual General Meeting:</b>	<b>March 2017</b>
<b>First interest payment:</b>	<b>March 2017 following the AGM</b>
<b>Minimum investment:</b>	<b>£250*</b>
<b>Maximum investment:</b>	<b>£20,000</b>

(\*local investors living within Leicestershire and Northamptonshire may invest a minimum of £100)

**Maximum investment target: £183,600**

**Minimum investment target: £46,000**

### Investment at risk

*The content of this Document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this Document for the purposes of deciding whether to make an investment may expose an individual to a significant risk of losing some or all of the property or other assets invested. Under these circumstances you have no right to compensation from the financial services compensation scheme, or recourse to an ombudsman.*

*An investment in the Harborough Solar One scheme involves a degree of risk and, in particular, attention is drawn to the risk factors set out in this Document. An investment in this scheme may not be suitable for everyone. Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice.*

We are working with Ethex to manage the share offer administration and help to market the share offer. Completing the application online is paperless and the most efficient mechanism.

You can apply online through our share offer management platform Ethex at:

[www.ethex.org.uk/HarboroughEnergy](http://www.ethex.org.uk/HarboroughEnergy)

# Our Back Story

Harborough Energy has been made possible through National Lottery funding and wide local engagement. In January 2013 the National Lottery funded "Sustainable Harborough", a project established in Market Harborough with the aim of creating projects to support each other to bring about a more vibrant, inclusive community with lower carbon emissions.

## Sustainable Harborough

Sustainable Harborough is funded by the National Lottery under its 'Communities Living Sustainably' work-stream. A focus on energy (and particularly community owned energy) was always intended to be a key area of work towards the aims of the project. One of the early events initiated through Sustainable Harborough was an Energy Forum which brought people together to discuss what we wanted to achieve in and around Market Harborough and how we would start working towards a more sustainable Harborough. The forum resulted in two working groups, one of which formed into Harborough Energy. There has been considerable officer time along with marketing support, governance, other development support, and of course volunteer time spent developing Harborough Energy and this first share offer. Sustainable Harborough has progressed the formation of Harborough Energy as part of its initiation of local projects – this has involved partnership development, governance, promotion, event management and liaison with infrastructure bodies – including introducing community owned energy and Harborough Energy to thousands of people at events over the past year. For more information on Sustainable Harborough, including the partners involved in managing the project, please see [www.sustainableharborough.co.uk](http://www.sustainableharborough.co.uk).

## Harborough Energy

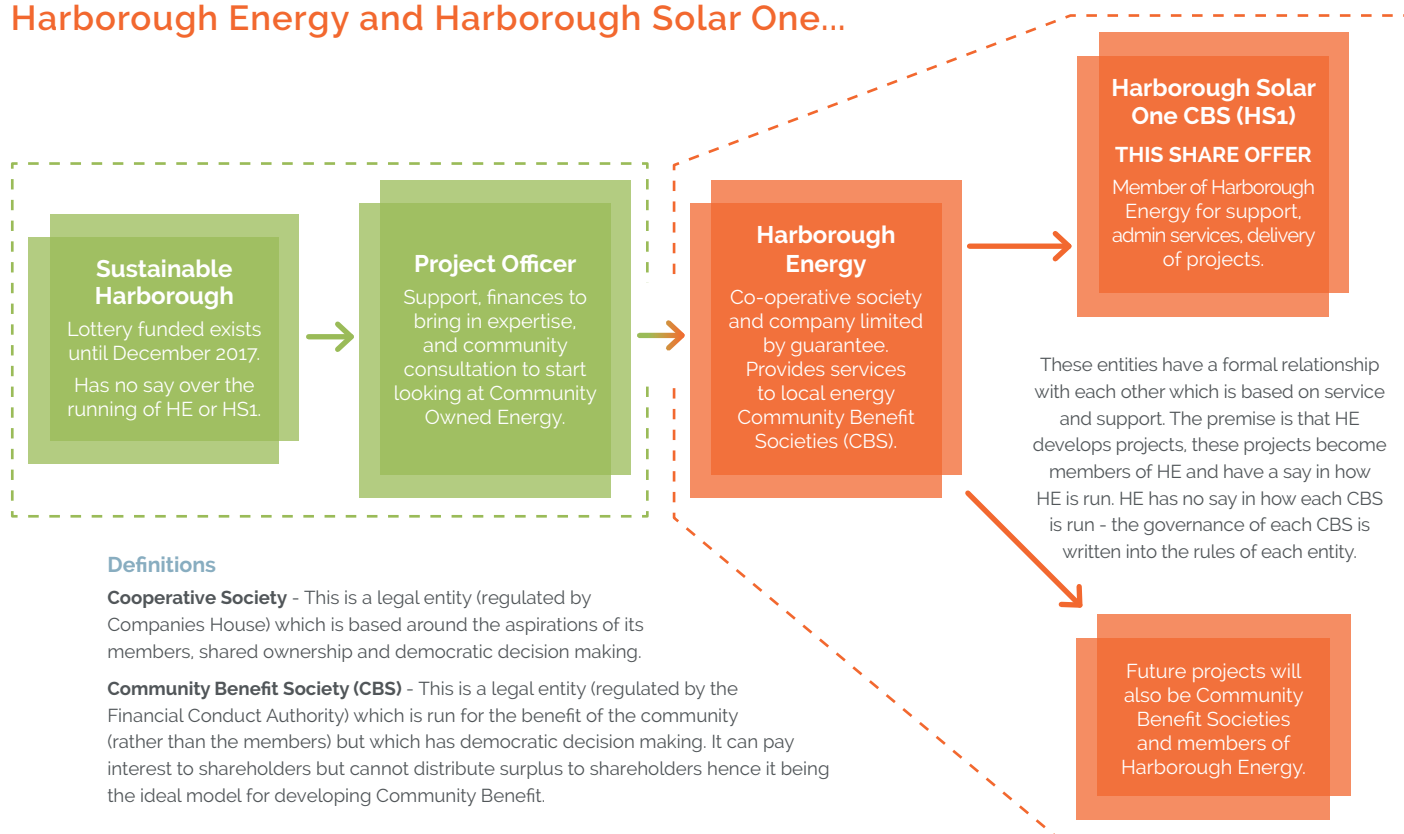
Harborough Energy is a co-operative set up to provide affordable, clean energy to the communities in and around Market Harborough. Our local energy projects offer investment opportunities as well as returns for landowners and landlords. Harborough Energy will help to give Harborough more control over its future energy costs and surety of supply, making it an even better place to live.

Harborough Energy was formed in December 2014 as part of Sustainable Harborough's initiation of local projects – this has involved partnership development, governance, promotion, event management and liaison with infrastructure bodies – including introducing community owned energy and Harborough Energy to thousands of people at events over the past year. Sustainable Harborough has also sought expertise, legal advice and other support detailing the structure which this sits within, so that as Harborough Energy grows, the sustainability of the whole town and surrounding area improves. We feel that the development of Sustainable Harborough over the past 3 years, along with the partnership, has given Harborough Energy a solid and reputable grounding from which to launch this first share offer.

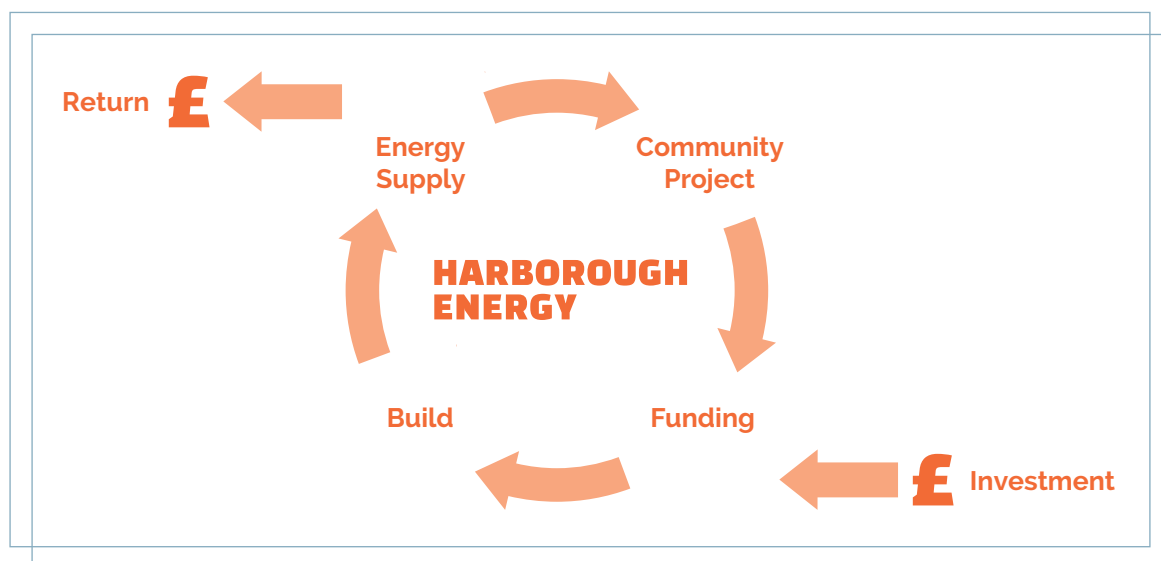




**Diagram 1. Relationship between Sustainable Harborough, Harborough Energy and Harborough Solar One...**



## Harborough Energy Investment Model



Harborough Energy's overarching aim is to provide affordable, clean energy to the communities of Market Harborough, with local energy projects offering investment opportunities as well as returns for landowners and landlords.

Harborough Energy will help to give Market Harborough more control over its future energy costs and surety of supply, making it an even better place to live, and to:

- Co-ordinate the energy co-ops around Harborough
- Provide support e.g. through marketing, consultancy services, etc.
- Provide membership and benefits which will be limited to those who are energy co-operatives locally, directly involved in the provision of their services

# Vision

Our vision is that Market Harborough, together with its surrounding areas, is an exemplar of locally managed and owned renewable energy.

## Ambitions to 2020

- To install 5MW of community owned renewable energy (electricity and heat) in and around Market Harborough (enough to supply 1000 homes)
- To realise a community benefit fund of £50,000 p.a. to support community action on energy in Harborough
- 3,000 residents in Harborough are share holders in the Community Energy Programme
- 1,000 local people directly benefit from the Community Benefit Fund
- To create 4 direct jobs from the delivery of the community owned renewables

## Ambitions to 2030

- To install 20MW of community owned energy (equivalent to the electricity needs of Market Harborough)
- To establish a community owned energy supply company, providing heat and power to Harborough residents and businesses
- To realise a community benefit fund of £200,000 per year
- Half of the share holders in the Community Energy Programme are Harborough residents
- 10,000 people benefit from the Community Benefit Fund
- To create 20 direct jobs and support training in energy related disciplines to 10 local people each year

**Our first energy share offer is Harborough Solar One**  
**~ A 160kW roof based solar array**

# Harborough Solar One

We envisage that Harborough Energy will manage a portfolio of local energy generation projects by way of individually incorporated special purpose vehicles. Harborough Solar One, our first proposed share offer, has been set up as a Community Benefit Society.

See diagram 1 (pg 6) for a representation of the relationship between Sustainable Harborough, Harborough Energy and Harborough Solar One.

## Purpose

Harborough Solar One will ensure our community benefits from

- Clean, cheap energy
- Good financial returns. Our projected return for Harborough Solar One is 5%
- The community gets a fund to support community efforts to heat and power homes more effectively and reduce fuel poverty. We are projecting that this will be worth £109,500 over the 20 years of the installation
- The added bonus of bringing down our Greenhouse Gas emissions

In common with all charities, charitable community benefit societies such as those that will provide investment vehicles for Harborough Energy's locally managed and owned renewable energy installations must devote their resources to the pursuit of charitable objects. Surplus income should either be re-invested in the society or used to support its charitable objects in some other way. It is the intention that the existing members of both Harborough Energy and Harborough Solar One be consulted before the development of further share offers, to ensure compliance and that future interest rates are set at a level which is not in itself a motivation to buy shares, and which the charity trustees can justify as being in the interests of the charity by reference to available commercial rates for borrowing.





## Timeline to share offer

2012						
Partnership established to bid for National Lottery Funding						
2013						
January	March					
Sustainable Harborough project established	Energy Forum held to decide community priorities					
2014						
December	Jan - Dec					
Harborough Energy co-operative registered	Board of Harborough Energy consider potential projects					
2015						
January	April	July				
Project selection process begins	Project co-ordinator appointed	Harborough Solar One (HS1) registered as a Community Benefit Society				
2015						
July	August	September	October	Oct - Nov	December	
HS1 - solar PV project agreed. Roof host partners established	Installer selected following competitive tender	Planning consent, EIS/SEIS applied for	Chartermark accreditation begins	Share Offer Document agreed	HS1 Share Offer seeks to raise £183,600	HS1 solar array installation

## Financial Position

Both Harborough Energy and Harborough Solar One are new start up societies and as such have no trading history, and no cash reserves. Harborough Solar One is a separate entity set up so it will not be affected by Harborough Energy finances.

The financial model for Harborough Solar One is detailed further through this document and on our website: [www.harboroughenergy.co.uk/projects/harborough-solar-one](http://www.harboroughenergy.co.uk/projects/harborough-solar-one)

# Community Benefits

Providing significant community benefits is central to Harborough Energy's objectives. Specifically to

- Create opportunities for local individuals and businesses to invest in and realise an attractive financial return from local renewable energy projects
- Setting up a local community fund to support local community aspirations e.g. helping to fund investment in insulation and heating programmes to enable residents to enjoy affordable warmth. This is projected to amount to £109,500 over the 20 years of the project.
- Reduce carbon emissions - More specifically, the board will work alongside Sustainable Harborough to decide how best to benefit the local community with the Community Benefit Fund generated through Harborough Solar One. This will be carried out with the partners listed in this Share Offer Document. Sustainable Harborough is piloting approaches to address fuel poverty locally and this information will feed into plans for Harborough Energy

## Reporting the benefits

We will produce annual reporting which will detail the extent to which Harborough Solar One and other Harborough Energy projects have benefited the local community. This will obviously detail work carried out through the Community Benefit Fund, but will also detail the wider implications of having a focus on Community Owned Energy – the carbon savings, the energy displaced from the National Grid, the number of people engaged through projects and other activities and we aim to carry out a detailed assessment of the local economic benefits.





# Our Team

Our team comprises individuals with the experience and track record in business management to provide:

- Expertise in renewable energy and energy efficiency
- Business experience
- Share offer experience
- A history of working on local community projects

The founding Harborough Solar One Board members came together in 2014. Since then additional directors have been appointed to strengthen the Board and broaden its range of expertise.



## Darren Woodiwiss

With over 25 years' experience of delivering software systems to business and as a keen environmentalist, Darren is a Founder Member and Director of Harborough Energy and Harborough Solar One. Co-founder of Transition Town Market Harborough, he initiated the lottery funding application that eventually established Sustainable Harborough. Darren has strong local contacts and his desire is to improve the sustainability of the town, deliver clean efficient energy, and improve the wealth and outcomes of the local population.

## Peter Jones

After retiring formally after 25 years in the waste sector, Peter T Jones is a Founder Member and Director of Harborough Energy and Harborough Solar One. Now retired from Biffa he works in various support roles within the waste and renewable energy arenas. Peter is a Member or Fellow of CIM, CIWEM, CIWM, CILT. He was awarded an OBE for services to the environment in 2007 and brings exceptional business experience to the project.



## David Robbins

David is a Founder Member and Director of Harborough Solar One. He has been working with Harborough Energy (HE) on a part time voluntary basis. He has lived in Harborough for nearly 30 years but has been busy working across England in service management, information sharing, energy, and transport related initiatives. He has had a keen interest in fuel conservation, process efficiency, sustainability and environmental issues since the early '80s.

*'Working with HE allows me to get involved locally and apply some of my business experience and technical skills to help improve sustainability for Harborough people and businesses.'*



## Gavin Fletcher

Gavin is Company Secretary of Harbrough Solar One and Project Manager for Sustainable Harbrough. As Project Manager for Sustainable Harbrough Gavin's activities include delivery of renewables projects, local food projects, community gardening/orchard projects, local sustainability events and business/household energy efficiency projects. Gavin reports to the Partnership Board as well as the Lottery. Gavin oversees the day-to-day operation of Harbrough Energy.

## Denise Marsdon

As Community Energy Development Officer, Denise has day-to-day responsibility for the Harbrough Energy project. With a master's degree in Climate Change and Sustainable Development she has worked extensively in both the renewable energy sector and in delivering community engagement. This includes managing the Energy Saving Trust advice service for the Midlands, providing strategic energy support for local authorities across the UK, and working on renewables within the agricultural sector.



The Society shall retain a register of Directors and Officers. There are currently 3 directors of Harbrough Solar One. The current Board intends to appoint additional directors at the first annual general meeting from the Members that subscribe to this share offer to ensure the quorum necessary for the transaction of business.

The team also wish to acknowledge the invaluable support given by Dan Vivian, who worked with us early on but moved away from the area before this share offer could be released.

## Founding Membership of the Society

The first Members of the Society are the Founding Members (The Board). The Board may admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partnership who supports the objects of Harbrough Solar One and who has paid or agreed to pay a subscription.

## Membership of the Society

All shareholders will become Members of the Society. All Members shall have attained the age of 16 and must support the objects of the Society and complete an application for at least one share in the Society.

The shares of the Society shall be of a nominal value of £1. Such shares are only withdrawable in accordance with the rules. Shares are valued at £1 each. Investors may invest between £250 and £20,000 (the minimum investment is reduced to £100 for people living within Leicestershire and Northamptonshire). Each investor will receive one vote regardless of the amount invested.

Rules of the Society may be found at

[www.harbroughenergy.co.uk/projects/harbrough-solar-one/governance/](http://www.harbroughenergy.co.uk/projects/harbrough-solar-one/governance/)



## Strategic Partners

Harborough Energy has been made possible by Sustainable Harborough - a project funded through the Big Lottery Fund's 'Communities Living Sustainably' programme, working with householders, businesses and local producers to raise awareness of sustainability in the community. The organisation offers practical support to individuals and groups who want to reduce their carbon footprint and enhance the environment in which they live and work. Partners involved in Sustainable Harborough have offered their support to this project and approved officer and financial assistance. The partners are:

RCC Leicestershire and Rutland, Transition Town Market Harborough, Seven Locks Housing, Leicestershire County Council, Harborough District Council, De Montfort University, Severn Trent Water, Welland Rivers Trust and the Environment Agency.

Harborough Energy works closely with Harborough District Council. Local authorities can provide a valuable source of information and advice and can help co-ordinate community activity in the area.

In November 2014 DECC and the Cabinet Officer launched a peer-to-peer mentoring programme to enable experienced communities to support newer entrants such as Harborough Energy. Harborough Energy has been privileged to receive mentoring support under this programme to enable us to rapidly develop the capacity and skills to bring this share offer to market.

We also acknowledge the support of the Co-operative and Social Enterprise Agency (CASE).

The Government's Community Energy Strategy (January 2014) is laying the foundation for future growth of community energy in the UK. The new Secretary of State for Energy and Climate Change, Amber Rudd has indicated her commitment to continue to champion renewables and the low-carbon economy. Her appointment has done much to allay the fears some may have had after the general election and therefore we can be confident that the Government will continue to build on the recommendations of their strategy.

The Renewables Obligation and Feed-in-Tariff schemes continue to play a crucial role in supporting the accelerated deployment of commercial and small scale renewable electricity capacity in the UK, and will continue to do so for the short-term future (although the Renewable Obligation (RO) will close to new capacity on 31 March 2017). Contracts for Difference which are being introduced will provide future support for low carbon technologies. The future of subsidies is in discussion, with likelihood that Community Energy will need to prepare for a model which works without Feed-in-Tariff – the use of feed-in-tariffs have been invaluable in the Community Energy surge and have enabled us to release this first share offer. This will ensure that there are future projects developed in Market Harborough and the surrounding area. Feed-in-Tariff will be available for the duration of the Harborough Solar One project.



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# The Project

Our first community energy project comprises two rooftop photovoltaic solar arrays, located at Robert Smyth Academy and Archway House. Subject to receiving planning consent and raising the required capital investment of £183,600 pursuant to this share offer, we anticipate that the installation will be operational by 31st December 2015.

Harborough Energy has established the Community Benefit Society (referred to as Harborough Solar One or 'the Society') to own the solar PV array at the identified sites and will have a 20 year roof lease agreement with the host organisations, under which we will agree to maintain the solar system and provide the hosts with electricity produced at the site. The organisations hosting the panels will benefit from reduced electricity cost through a Power Purchase Agreement with the Society.

As Harborough Energy's first community project, Harborough Solar One will seek to install 150kW photovoltaic cells to the roof of a local school, the Robert Smyth Academy and 10kW to local alternative health practice Archway House Natural Health Centre.

**Robert Smyth Academy** was founded in 1607 as the Market Harborough Grammar School and has served the young people and community of Market Harborough and surrounding villages for over 400 years. Today, Robert Smyth is a thriving converter academy with over 1000 students on roll, aged 14-19.

*"From the start of the Autumn Term 2016, we will become an all through 11-19 academy and we are looking forward to welcoming our first Year 7 students at that time".*







**Archway House Natural Health Centre** was established in 1997 and helps people from Market Harborough and across Leicestershire, Northamptonshire and the Midlands.

A team of skilled and experienced practitioners offer a wide range of services, including Acupuncture, Aromatherapy, Chiropractic, Counselling and Psychotherapy, CranioSacral Therapy, Health Kinesiology, Homeopathy, Hypnotherapy, Herbal Medicine, Nutritional Therapy, Reflexology, Reiki, Shiatsu, Sports Massage, Structural Integration and Zero Balancing.

Following a competitive quotation process, **Environmental Energies Limited**, a well established local company, was selected to be our partner installer.

The selection process involved an extensive evaluation of cost and quality criteria together with financial stability and health and safety practices.

Harborough Energy manages a pre-approved supplier framework. Key criteria against which suppliers are assessed include:

- Company details
- Previous work
- Health and safety
- Trade bodies and accreditation
- Insurance
- Environmental policy

The installation has been subject to a transparent competitive tendering process and Environmental Energies were deemed to offer best value to the project.

<b>Installed power</b>	<b>160kW</b>
<b>Interest payable to members</b>	<b>5%</b>
<b>Minimum share offer raise</b>	<b>£46,000</b>
<b>Maximum share offer raise</b>	<b>£183,600</b>

The financial projections are illustrated on overleaf.

## **Projected member returns**

The primary purpose of Harborough Energy is the successful development of renewable energy resources for the benefit of the community. Harborough Solar One may use its profits to pay interest to members on their shareholdings sufficient to obtain and retain the capital required to carry out its objects. We aim to pay members a real return in excess of long term RPI. We are projecting an annual return of approximately 5% but this could change if RPI changes - as income from the Feed-in-Tariff ('FIT') is linked to RPI for the lifetime of the solar PV FIT Scheme (20 years).

This will be considered after the Community Benefit Fund and voted through the Annual General Meeting (AGM), it will be paid after the AGM.

# Financial Projections

## Summary for Share Offer Document

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-10	Year 11-20
<b>Dates</b>	Jan 2016 - Dec 2016						
<b>Income</b>							
Feed-in-tariff	14,281	14,536	14,794	15,056	15,322	80,740	183,731
Export electricity sales	1,615	1,644	1,673	1,703	1,733	9,132	20,781
Power purchased on site	12,249	12,589	12,938	13,296	13,662	74,153	181,725
Total income	28,146	28,769	29,405	30,055	30,718	164,026	386,237
<b>Expenditure</b>							
Operations, maintenance, insurance, inverter replacement and admin	-8,386	-8,576	-8,770	-8,968	-9,170	-56,379	-142,858
Development costs	-20,000	0	0	0	0	0	0
Tax	0	0	0	0	0	0	-40,117
Total expenditure	-28,386	-8,576	-8,770	-8,968	-9,170	-56,379	-182,975
<b>Cash movements</b>							
Net income generated through operations	-241	20,193	20,636	21,087	21,548	107,647	203,262
Community benefit fund generated	0	0	0	-2,000	-2,000	-17,000	-88,500
Surplus available	-241	20,193	20,636	19,087	19,548	90,647	114,762
<b>Cashflow</b>							
Opening cash	0	-241	10,772	22,228	32,135	32,244	33,790
Surplus available through operations	-241	20,193	20,636	19,087	19,548	90,647	114,762
Member capital repayment	0	0	0	0	-10,800	-54,000	-118,800
Member interest payment	0	-9,180	-9,180	-9,180	-8,640	-35,100	-29,700
Closing cash	-241	10,772	22,228	32,135	32,244	34,790	53
Total share capital raised							183,600
Total return to investors - interest							-100,980
Total return to investors - capital							-183,600
Total community fund generated							-109,500

The financial projections therefore show the following benefits:

<b>Total share capital raised</b>	<b>183,600</b>
<b>Total return to investors - interest</b>	<b>100,980</b>
<b>Total return to investors - capital</b>	<b>183,600</b>
<b>Total community fund generated</b>	<b>109,500</b>

## Notes on the financial projections

- 1.** Harborough Solar One is projecting a return of 5%. Whilst the management of Harborough Solar One will seek to ensure that the project is run in compliance with EIS and SEIS rules we cannot guarantee that the investment will be eligible for the relief. Investors should therefore seek independent financial advice if they intend to claim EIS/SEIS relief.
- 2.** All profits, subject to the maintenance of a contingency reserve, are paid to members as interest. Capital is repaid to members from the end of year 3 with all capital paid back by year 20.
- 3.** The total installed capital cost is £183,600  
This comprises:
  - i. Capital cost - £163,300
  - ii. Operational set-up costs - £20,000 which will be repaid to Harborough Energy
- 4.** Inflation is set at 2.5% over the 20 year period.
- 5.** Income is based on the value of the Feed-in-Tariff generation reflecting relevant FIT levels.
- 6.** Equipment depreciation is straight-line over the 20 year period.
- 7.** The Society will produce annual accounts and as a small business will apply for exemption from audit.
- 8.** Normal monthly cash expenditure is expected to be small and will be covered by the FIT generation tariff.
- 9.** To minimise risk to our Members we will acquire comprehensive insurance to cover damage to or theft from the installations.
- 10.** Panel degradation – This is the rate at which panels become less productive. We use an industry standard of 0.7% per annum.
- 11.** Inverter life – Our inverters will be under warranty to last at least 10 years, however, replacement has been factored into the financial forecasts.
- 12.** Generation – Environmental Energies has estimated the generation productivity of the sites in accordance with industry standards.
- 13.** Operational maintenance such as electrical testing and cleaning panels – this is covered in our financial projections.



## Development cost

Harborough Solar One has incurred a number of costs in setting up the Community Benefit Society and this share offer. These include the cost of registration of the Society, technical assessments and structural survey, in-kind officer support from Sustainable Harborough, and professional and expert support. These costs are to be repaid through the Development budget line in this share offer.

## Tax relief

An investment in the Harborough Solar One scheme is designed to be eligible for tax relief under the Enterprise Investment Scheme (EIS)/Seed Enterprise Investment Scheme (SEIS).

Harborough Solar One has applied to HM Revenue and Customs to seek advised assurance for the offer to be recognised for EIS and SEIS relief.

**EIS** relief offers various tax benefits to applicants:

- a. Under EIS, income tax relief is available to individuals who subscribe to shares. If you are a qualifying taxpayer you will be able to claim back 30% of the money you invest, increasing your effective rate of return.
- b. The shares must be held for a minimum of three years for individuals to qualify for income tax relief.
- c. For more information on EIS see:

[www.gov.uk/government/publications/the-enterprise-investment-scheme-introduction](http://www.gov.uk/government/publications/the-enterprise-investment-scheme-introduction)

**SEIS** relief offers the following :

If you are a qualifying taxpayer you will be able to claim back 50% of the money you invest, increasing your effective rate of return. Please note that the tax regime is currently in transition. Further information is shown under Tax Risks. More information on SEIS can be found at:

[www.gov.uk/guidance/seed-enterprise-investment-scheme-background](http://www.gov.uk/guidance/seed-enterprise-investment-scheme-background)

The first £150,000 invested will be eligible for SEIS (subject to approval), this will be allocated on a first come, first served basis. The remaining investors will still be eligible for EIS (subject to approval) which allows 30% of the money to be claimed back as above.

Your investment will be used to complete the financing of our first community energy project. Shares are valued at £1 each. Investors may invest between £250 and £20,000 (the minimum investment is reduced to £100 for people living within Leicestershire and Northamptonshire). Each investor will receive one vote regardless of the amount invested.

Whilst the management of Harborough Solar One will seek to ensure that the project is run in compliance with EIS and SEIS rules, we cannot guarantee that the investment will be eligible for relief. Harborough Solar One is unable to give advice to individuals on whether they would be able to claim tax relief on their investment. Investors should therefore seek independent financial advice.

### SEIS Income Tax Relief Example

Peter is a qualifying tax payer who invests £1000 in SEIS qualifying shares. The SEIS relief available is £500 (£1000 at 50%) If his income tax liability for the year (before SEIS relief) was, for example, £2000 he could reduce it to £1500 as a result of the investment. For further information please see

[www.gov.uk/guidance/seed-enterprise-investment-scheme-background](http://www.gov.uk/guidance/seed-enterprise-investment-scheme-background)

# Share Offer Terms and Conditions

## Membership

The Rules of the Society may be found at

[www.harboroughenergy.co.uk/projects/harborough-solar-one/governance/](http://www.harboroughenergy.co.uk/projects/harborough-solar-one/governance/)

- 1.** All Members shall have attained the age of 16 and must support the objects of the Society.
- 2.** The shares of the Society shall be of a nominal value of £1. Such shares are only withdrawable in accordance with the rules. Each investor will receive one vote regardless of the amount invested.
- 3.** Investors may invest between £100 and £20,000 (the minimum investment of £100 is reserved for local investors to encourage as much local investment from around Market Harborough). Whilst Market Harborough is a relatively wealthy area, there are areas around the town where a minimum investment of £250 would exclude many potential investors. It is the aim of the Society to involve as many local people as possible as Members. However the society recognises that confirmation of eligibility needs to be transparent and easy to apply. We are therefore opening the local minimum investment of £100 to residents of the counties of Leicestershire and Northamptonshire.
- 4.** Membership is open to individuals who have attained the age of 16, corporate bodies or a nominee of an unincorporated body, firm or partnership who supports the objects of the Society. A corporate body shall by resolution of its governing body appoint a representative who will during the continuance of his/her appointment, be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual.
- 5.** Anyone wishing to become a Member must support the objects of the Society and complete the application form at the end of this Share Offer Document. Alternatively prospective members may complete an online application at [www.ethex.org.uk/HarboroughEnergy](http://www.ethex.org.uk/HarboroughEnergy). Payment for the shares is due in full at the time of application. Investing online is our preferred mechanism and is paperless and efficient.
- 6.** Shares held under one of Harborough Energy's community share offers cannot be sold to a third party or traded, and there is no prospect of them ever being worth more than their nominal value of £1. Each investor will receive one vote regardless of the amount invested.
- 7.** You must have the authority to apply for shares. If you are signing the application on behalf of another person or organisation you should provide the Directors with evidence of your authority to sign if they ask to see it.
- 8.** You will need to give proof of your identity and address if the Directors ask for it. They may need this proof for anti-money laundering purposes.
- 9.** The shares in a Community Benefit Society are not transferable, which means that they cannot be bought and sold except through the society and the value of the shares cannot increase beyond their nominal £1 value. Whilst the expected project life is 20 years, shares may be withdrawn at an earlier stage at the discretion of the Board of Directors. Share withdrawal is suspended for the first three years of the project – meaning that no shares will be withdrawable until at least 2018. After this time, any members who wish to withdraw their shares, either in part or in full, can apply to the Board of Directors. The board will then consider applications, taking into account the funds available to Harborough Solar One Ltd to make the repayment. The Board will consider withdrawal applications once every three months and if applications to withdraw shares exceed the available funds, repayments will be offered on a pro-rata basis.

# Share Offer Terms and Conditions

## (Membership cont..)

- 10.** You cannot withdraw your application for shares after we receive your application form. Any amounts to be invested are payable in full on application. The Directors do not have to accept your application for shares. They may decide not to issue shares to you or to issue fewer shares than you applied for. They do not have to give any reason for their decision. Your application will be considered for approval at the first convenient Board of Directors meeting after the closing date of the offer.
- 11.** In the event of this share offer being oversubscribed, preference will be given to applicants living closest to the postcode LE16 9AA.
- 12.** Members' shares will attract a payment of interest annually in arrears and there is currently no policy to pay dividends. Interest rates will vary according to financial performance. Any profits shall be applied as follows in such proportions and in such a manner as may be decided by the Society at the annual general meeting:
  - a.** To a general reserve for the continuation and development of the Society; or
  - b.** To make payment for social or community purposes within the community served by the Society.
  - c.** First Annual General Meeting will be held in March 2017.
  - d.** First interest payment will be made in March 2017 following the AGM.
- 13.** A Member may nominate any individual or individuals to whom any of his/her property in the Society at the time of his/her death may be transferred.



# The Risks

All investment carries risks. Investors should take appropriate advice. Those interested in investing should only do so after reading this document in full and taking appropriate financial or other advice. This share offer is not covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme.

## Contingency arrangements

### Failure to complete

A failure to complete the installation, commissioning and registration of the solar arrays before the end of the current Feed-in-Tariff period of 31st December represents the most substantial risk to the project. Should this occur then the Archway House installation, which will have been installed, will be the only viable project at a cost of £13,200. The array at Archway House has already been installed in order to secure the most advantageous Feed-in-Tariff level. This has been facilitated through our installer, Environmental Energies, with the proviso that should the community share offer be unsuccessful for any reason, then the installer will take ownership of the installation and receipt of the FIT. The installation contract for Robert Smyth Academy is based on commission before the Feed-in-Tariff drops in value on the 1st January 2016, as long as the company are given enough notice to install. The risk of being unable to commission is very low, the company has held open a window for installation and they have an excellent track record of installing on time. If there is any risk of the company not being able to commission before the Feed-in-Tariff drops, the project will not proceed and share capital will be returned.

A failure to raise the maximum investment for the project will require Harborough Solar One to scale back the installation to 40kW at a cost of £46,000 representing the most viable rooftops in the project – Archway House and the roof on the canteen at Robert Smyth Academy.

Harborough Solar One will acknowledge the receipt of your cheque or bank transfer and application and may cash your cheque as soon as it is received. Harborough Solar One shall hold your money on trust until the Directors have considered your application. The Directors will return your money to you (within 28 days of the Board of Directors meeting at which it is considered) if they decide not to issue shares to you. If they decide to offer fewer shares to you, they will return the balance to you (within 28 days of that Board of Directors' meeting).

### Planning consent

Planning consent is not required for Archway House. However, Robert Smyth Academy has a listed building within the boundary and therefore full planning consent is required. A planning application was submitted on 10th of September. As the listed building will not host any part of the proposed array, we have been advised that permission is likely to be granted. The Directors will return your money to you, as above, should the project fail to secure planning consent.

### Roof lease and power purchase agreement

The host organisation and Harborough Solar One have not yet formally signed these agreements. However, all terms and conditions have been agreed and we expect these to be finalised before the opening date of the Share Offer. The Directors will return your money to you, as above, should these arrangements fail to be finalised.

### Theft & damage

The installations may become damaged through vandalism or may be stolen. Harborough Solar One will take out insurance cover to compensate for any potential losses should this occur.

### Changes to the regulatory regimen

The Feed-in-Tariff is guaranteed for 20 years under primary legislation. The Government is currently consulting on the future of the subsidy. What this will mean for Harborough Energy is a change in delivery mechanism for future projects. It is only a risk to this project if there are significant delays.

### Other

This offer and any agreement entered into for the purchase and sale of shares in the Society is governed by the law of England and Wales.

# Application Process

Before completing the application form or an online application you should

- Read the accompanying share offer
- Pay particular attention to the risks associated with the share offer
- Consider taking financial or other advice in relation to the terms and conditions of this offer
- Read the rules of Harborough Solar One share offer that are available on our website  
[www.harboroughenergy.co.uk/projects/harborough-solar-one/governance/](http://www.harboroughenergy.co.uk/projects/harborough-solar-one/governance/)

To become a member please complete the share application form, or complete an online application at [www.ethex.org.uk](http://www.ethex.org.uk).

Payment for the shares is due in full at the time of application.

## 1. Online application

You can apply online through our share offer management platform Ethex at:  
[www.ethex.org.uk/HarboroughEnergy](http://www.ethex.org.uk/HarboroughEnergy)

## 2. Postal application

You may apply using the application form overleaf. Please cut out and complete it. Return it with your payment to **Harborough Solar One Limited, c/o The Old Music Hall, 106-108 Cowley Road, Oxford OX4 1JE.**

You may photocopy the form if you wish.

## 3. Your payment

You may pay for your shares either online, by cheque or by BACS transfer to our account with the Co-operative Bank. Please attach a single cheque or banker's draft for the amount shown overleaf payable to:  
**Harborough Solar One Ltd.**

A reference code will be sent to you by Ethex which we ask you to use when making payment.

**Account Name :** Harborough Solar One

**Account Number:** 65772085

**Sort Code:** 08 92 99

Ethex will acknowledge the receipt of your cheque or bank transfer and application and may cash your cheque as soon as it is received. Harborough Solar One shall hold your money on trust until the Directors have considered your application. The Directors will return your money to you (within 28 days of the Board of directors meeting at which it is considered) if they decide not to issue shares to you. If they decide to offer fewer shares to you they will return the balance to you (within 28 days of that Board of Directors meeting).

The application form can be photocopied and additional application forms are available.

For all general enquiries please contact Denise Marsdon, Community Energy Development Officer,  
email: [info@harboroughenergy.co.uk](mailto:info@harboroughenergy.co.uk) or telephone: 01858 466207



PLEASE USE CAPITALS AND BLACK INK AND COMPLETE BOTH PAGES OF THE APPLICATION FORM

## Application Form - Harborough Solar One Ltd Share offer

### Amount to invest

I wish/my organisation wishes to invest a total amount of  in Harborough Solar One Community Benefit Society on the Terms and Conditions of the Offer Document at the price of £1.00 per Share. You may invest not less than £250 (£100 if you live within the counties of Leicestershire and Northamptonshire) and not more than £20,000.

### Individual Applicant details

Title ( Mr / Mrs / Ms / Other ):

Name: ..... (forename/s) ..... (surname)

Address: .....

.....

..... Postcode: .....

(If at above less than 3 years) Previous address: .....

.....

..... Postcode: .....

Daytime telephone number: ..... Date of birth: .....

Email address: .....

Bank Account Number:

Sort Code:

*(please complete if you wish your interest to be paid by bank transfer)*

### If application is on behalf of a child

Child's name/s: ..... Date of birth: .....

Address (If at above less than 3 years): .....

..... Postcode: .....

(if above less then 3 years) Previous address: .....

.....

..... Postcode: .....

For organisations, please see overleaf.





### If Applicant is an organisation

Organisation name: .....

Organisation address: .....

..... Postcode: .....

Type of organisation: ..... Registration no: .....

Name of authorised signatory: .....

Position of authorised signatory: .....

Residential address: .....

..... Postcode: .....

((If at above less than 3 years)) Previous address: .....

..... Postcode: .....

## Declaration

I confirm that:

- I have read the Offer Document (including the Risk Factors and the Rules of Harborough Solar One.
- I am over 16 and the Applicant meets the Offer eligibility criteria.
- Harborough Solar One is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this application.
- The Applicant is not making an application or multiple applications for a total of more than 20,000 shares.
- The Applicant is not relying on any information or representation in relation to the Offer of Shares in Harborough Solar One which is not included in the Share Offer Document.
- The Applicant shall provide all additional information and documentation requested by Harborough Solar One in connection with this Application, including in connection with money laundering, taxation or other regulations.
- If signing this Application on behalf of a person/organisation I am doing so with explicit authority.
- The Applicant gives consent for electronic communication with Harborough Solar One.

**I understand that the 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: .....











For more information about Harborough Solar One in particular or about Harborough Energy in general visit:

[www.harboroughenergy.co.uk](http://www.harboroughenergy.co.uk)

### **Stay in touch with Harborough Energy**



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