



**HARBOROUGH
ENERGY**

Harborough Solar One | Project 2

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

- Offer opens - 8th Aug 2018
- Offers closes - 30th Sept 2018
- Min. investment - £250 (local - £100)
- Max. investment - £20,000
- Min. target - £40,000
- Max. target - £149,700
- Target Return - 4%

SHARE OFFER DOCUMENT

August 2018 / v1.1

Directors' Letter

Dear Potential Society Member,

Harborough Solar One, our Community Benefit Society is offering you the chance to join in the direct ownership of a ground-mount solar panel array. This will be our second share offer, with our first installing solar PV across 4 roofs at Woodnewton Academy and one at the Archway Health Hub. Our partner host for this second project is NBJ London Limited, who are based near Husbands Bosworth and will benefit from reduced electricity costs. The project will also generate a fund to support local community projects to alleviate fuel poverty and reduce carbon emissions. Unlike many other ground-mount solar arrays this project is directly connected to an existing business with a power need.

You are invited to invest in this second project and become a member of the society. If you are already a member, we would be delighted to see you increase your investment. We are predicting an annual return on this investment of 4% over a 20 year period.

Harborough Solar One is registered as a Community Benefit Society with the Financial Conduct Authority. This Share Offer Document gives you the information you need to decide if this investment is right for you.

We hope you will decide to join us or increase your existing investment in Harborough Solar One.

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 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



Darren Woodiwiss



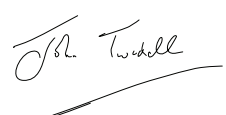
David Robbins



Gavin Fletcher



John Twidell



Executive Summary

Share issue offer

You are invited by Harborough Energy to invest in our latest community share offer and join our existing members as 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. By purchasing shares in Harborough Solar One Ltd, you will become one of 'our members'. Each member shall be entitled to one vote and members are encouraged to participate fully in the Society with an option to join the Board of Directors should they wish.

By investing in this share offer you will also be helping us to extend our community fund to reinvest in Market Harborough community projects such as generating a fund to tackle fuel poverty. Under regulations of the Co-operative and Communities Benefits Societies Act 2003 all of the Society's assets are subject to a restriction on their use, this is known as an 'Asset Lock'. Full details may be found in the Rules of the Society at: www.harboroughenergy.co.uk/wp-content/uploads/2015/09/Rules.pdf

By investing in our latest share offer you will:

- Earn a projected 4% annual return on your investment
- Help us tackle local issues such as fuel poverty.
- Help us reduce local carbon emissions.

Key Investment Details

- Our share offer opens - 8th August 2018.
- Share offers closes - 30th September 2018.
- Minimum investment - £250.
- Minimum investment for local members will be £100. Local is defined as in the postcode areas starting with LE or NN.
- Maximum investment - £20,000.
- Minimum target for offer to go ahead - £40,000.
- Maximum target - £149,700.
- Target Date of 1st interest payment October 2019.

Non-withdrawal period

Investors will not be able to withdraw capital during the first THREE years after installation of this project.

- The Board of Directors shall have the final decision on the amounts returned.

Investment at risk

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

An investment in 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.

You can apply online through our share offer management platform Ethex at: www.ethex.org.uk/HarboroughEnergy2018.

About Harborough Energy

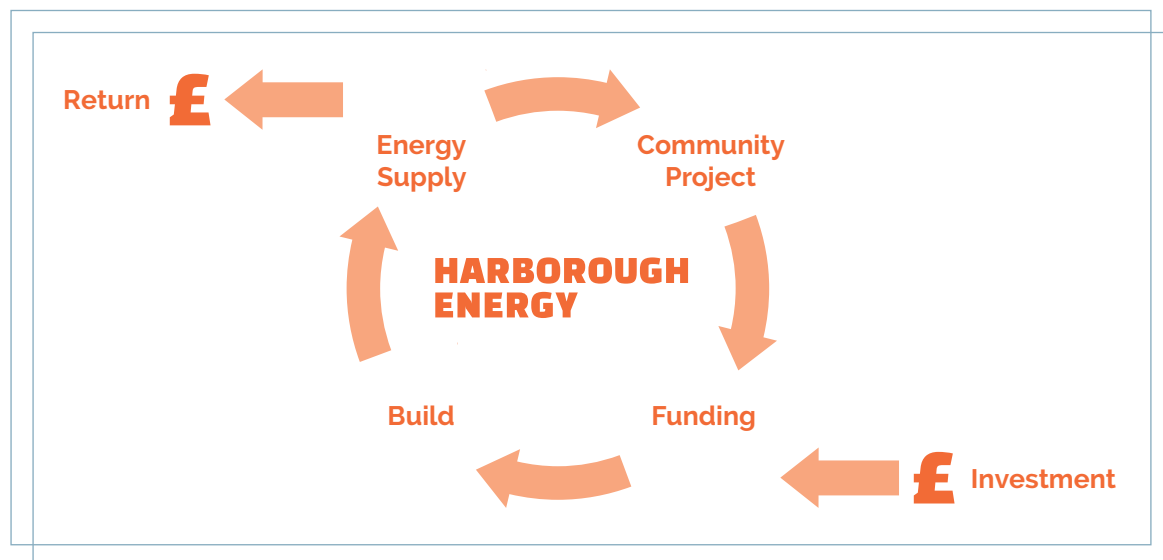
Harborough Energy is a cooperative set up to provide affordable, clean energy to the communities in and around Market Harborough. Our local energy projects offer investment opportunities as well as returns for landowners and landlords. We will help to give Harborough more control over its future energy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

Aims

Harborough Energy is a Private Company Limited by Guarantee that has an overarching objective to:

- Co-ordinate the energy co-ops around Harborough – including Harborough Solar One.
- To provide support e.g. through marketing, consultancy services etc.
- Membership and benefit will be limited to those who are energy co-operatives locally, directly involved in the provision of their services.

Harborough Energy Investment Model



Purpose

Harborough Energy has been established to help local people to take control of their energy.

Vision

Our vision is that Market Harborough and surrounding is an exemplar of locally managed and owned renewable energy.

Community Benefits

Providing significant community benefits is central to Harborough Energy's objectives. Specifically, we aim to:

- Create opportunities for local individuals and businesses to invest in and realise an attractive financial return from local renewable energy projects.
- Set 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.
- Reduce carbon emissions.

Harborough Energy Limited is a not for profit organisation supported on a part time basis by an experienced contractor and governed by a small group of volunteer directors with expertise in the community, waste, environment, energy and voluntary sectors.

The same Harborough Energy team operate and govern Harborough Solar One Limited - which owns the energy projects that Harborough Energy has developed and initiated.

Harborough Solar One, was established as a vehicle for our first share offer and was set up as a Community Benefit Society. This, our second share offer, will be offered to its existing members and opened to new investment. Harborough Solar One's first project was established in October 2016 and members received the anticipated return on their investment in October 2017. The project continues to perform in line with forecasts.

Harborough Solar One will ensure our community benefits from:

- Clean, cheap energy
- Investors who get reasonable returns. Our projected return for the project is 4%
- A fund to support community efforts to heat and power homes more effectively and reduce fuel poverty. Whilst it is too early for our first project to deliver a specific community fund, the Society has been able to set up a programme to deliver insulation and heating measures across the district to support households that are unable to afford to adequately heat their homes or whose occupants suffer from a range of health related problems.
- The added bonus of bringing down our Green House Gas emissions

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.

Harborough Solar One - Board of Directors



Peter Jones OBE

After 25 years in the waste sector, Peter is involved in expounding and delivery of the emergent circular economy, having initiated the Biffaward Mass Balance Programme from 1997 to 2008. Now retired from Biffa, he is operating in non-executive or support roles for advanced thermal conversion technology companies as well as pro bono work for Policy Connect, environmental NGOs, CIWEM and a Community Interest Company establishing low carbon best practice in Leicestershire. That work facilitates links between funders, technology providers, waste companies, property companies and fossil energy users.

Peter qualified as an Industrial Economist in 1969, holds an Honorary Doctorate from the University of Southampton for work associated with environmental technologies and is a Member or Fellow of CIM, CIWEM, CIWM, CILT. He was awarded an OBE for services to the environment in 2007. He has advised a wide range of blue chips with regard to Distributed Energy from Waste, Chaired the WRAP sponsored Gas to Grid Group and the now defunct but ground breaking West Midlands study into co-location of renewable energy and recovery processes. Peter has been on the Harborough Energy board since late 2014. Peter has also acted as Chair of an Educational Trust in Northamptonshire in the process of adapting to changing needs for scale and improvement in performance.

Darren Woodiwiss

Darren has over 25 years of experience in delivering software systems to business and is a keen environmentalist. As the co-founder of Transition Town Market Harborough, Darren initiated the lottery funding application that eventually established Sustainable Harborough which then oversaw the formation of Harborough Energy.

Darren has strong local contacts and his desire is to improve the sustainability of the town and deliver clean efficient energy and improve the wealth and outcomes of the local population. He has been on the Harborough Energy board since late 2014.



David Robbins

David has lived in Harborough for over 30 years whilst 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 the Harborough Energy board since early 2016 has allowed him to get involved locally and apply his business experience and technical skills to help improve sustainability for Harborough people and local businesses.

David is also a volunteer Master Composter assisting community schemes and residents in and around the Market Harborough area to reuse 'waste' materials, save money and reduce carbon.

John Twidell

John lives in Harborough District. He was previously Head of the Energy Studies Unit of Strathclyde University and Professor of Renewable Energy Engineering at De Montfort University.

His family home has generated electricity successfully from solar PV for the last 12 years. John also has had 8 years' experience as a Director of Westmill Windfarm co-operative.





Gavin Fletcher

Gavin has worked in the environmental sector for the past 17 years, recently finishing a role managing the Sustainable Harbour project which was involved with the establishment of Harbour Energy.

Gavin is passionate about renewable energy and community ownership. Gavin's family home is part of the Superhome network of low energy homes.

Harbour Solar One - Officers

Oliver Savage

Oliver was Chairman of the Challenge Partnership Board for the Big Lottery Funded Sustainable Harbour project and has been a Harbour Energy board member since early 2016. He has worked in environmental sustainability policy and projects for nearly 30 years working in local government, the voluntary sector and as an Independent Consultant. Oliver has lived in Leicester for the past 25 years and has a commitment to supporting local environmental initiatives. His other passion is cricket and Oliver coaches juniors at Leicester Electricity Sports Cricket Club.



Denise Marsdon

As Community Energy Development Consultant, Denise has day-to-day responsibility for the Harbour Energy projects. With a masters' degree in Climate Change and Sustainable Development, she has worked extensively in both the renewable energy sector and in delivering community engagement including 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.

Membership of the Society

The Board may admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partnership who supports the objects of Harbour Solar One and who has paid or agreed to pay a subscription. 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 locally). Each investor member will receive one vote regardless of the amount invested.

Strategic Partners

Harbour Energy was made possible by Sustainable Harbour - 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.

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

The Feed in Tariff scheme has played a crucial role in supporting the accelerated deployment of commercial and small-scale renewable electricity capacity in the UK. Prospective investors may be aware that the Feed in and Export Tariffs are due to cease in March 2019 but this project will be commissioned before that deadline and therefore the tariff payments will be secure for the duration of the project.

Project 2

Our latest project comprises 150 kW ground-mount photovoltaic solar array located at NBJ London Limited Airfield Park, Sibbertoft Road, Husbands Bosworth, Leicestershire, LE17 6JA. Subject to raising the required capital investment of £149,702 pursuant to this share offer, we anticipate that the installation will be operational by the end of September 2018.

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 site and will have a 20-year licence with NBJ (the host organisation) under which we will agree to maintain the solar system and provide the host with electricity produced at the site. The host organisation will benefit from reduced electricity cost through a Power Purchase Agreement with the Society.

NBJ specialise in the manufacture of High Quality Specialist Bespoke Joinery and Cabinetry for Residential and Commercial Projects.

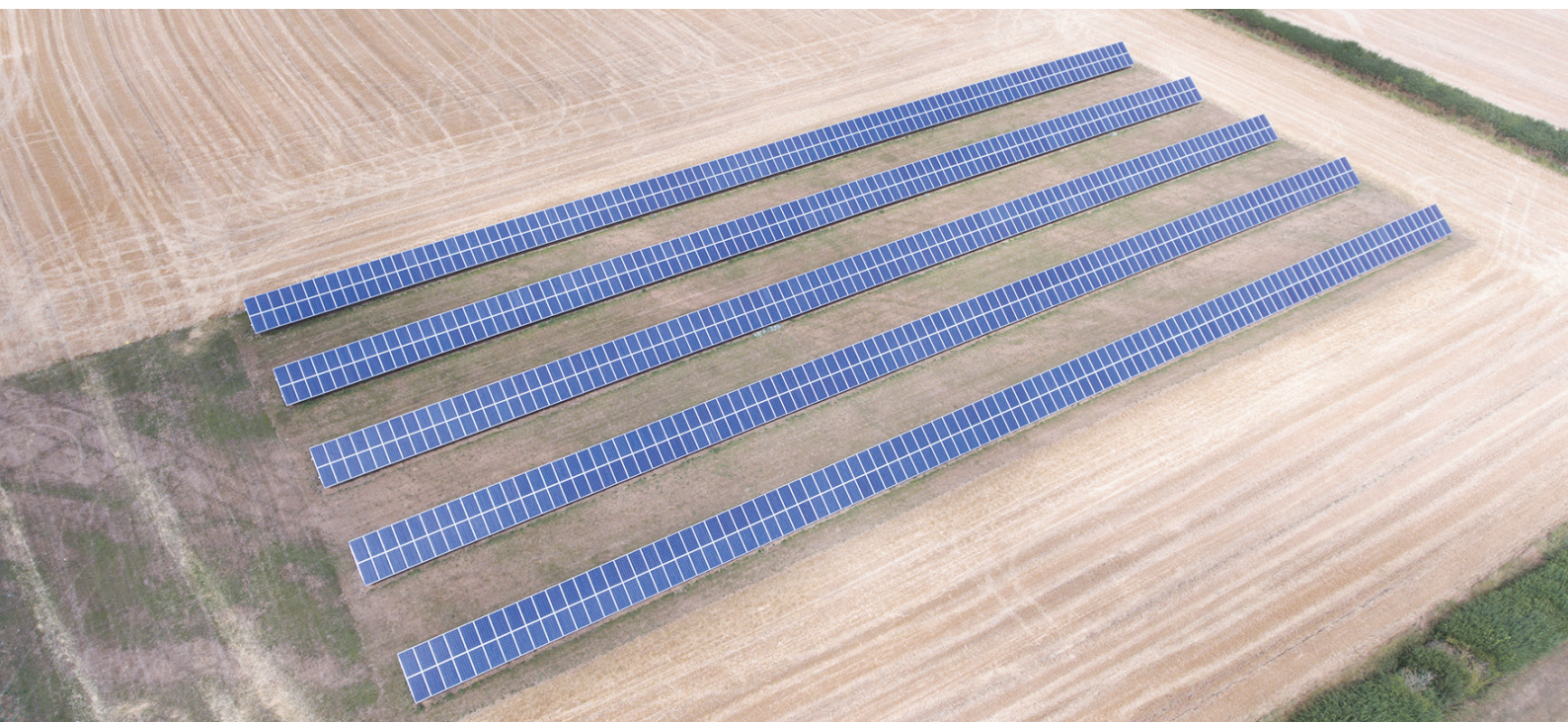


Neil Burke launched his business in 1982, recognising that the future marketplace would require quality to continue to improve. Neil's obsession with accuracy and his passion to make Timber, Glass and Metal perform to ever more exacting tolerances has driven his team onwards and created an excellent stable business over the years.

NBJ is committed to the protection of the environment and promotion of sustainable development. The company accepts its responsibility to minimise the environmental impact of its work and to demonstrate its support of local sustainable initiatives.

Following a competitive quotation process, Environmental Energies, a well-established local company, has been selected to be our partner installer. Investors in our previous share offer will remember that Environmental Energies installed the panels at Woodnewton and Archway House and the board continues to be confident in their standards of workmanship and are particularly pleased with the company's on-going support to the co-operative.

The financial projections for our latest project are illustrated 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 Retail Price Index ('RPI'). We are projecting an annual return of approximately 4% 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).

Harborough Solar One Financial Projections

	Year 0+1	Year 2	Year 3	Year 4-10	Year 11-15	Year 16-20
Income - PPA and FITS (Generation + Export tariffs)	27,351	14,177	14,522	111,990	92,208	97,257
Total operational and maintenance costs, including insurance	3,952	2,050	2,102	20,041	30,369	15,229
Gross annual cash balance	23,398	12,126	12,420	91,949	61,839	82,027
Members' Interest payments (target 4% - variable)	5,988	5,988	5,988	35,224	14,970	5,988
Reserves allocated for Members' capital repayments	0	0	4,403	52,836	44,030	48,433
Total repayments to members	5,988	5,988	10,391	88,060	59,000	54,421
Cash balance (reserves)	17,410	6,138	2,029	3,889	2,839	27,606
Cash balance (reserves) accumulative	£17,410	£23,549	£25,577	£29,466	£32,305	£59,911

Notes on the financial projections

1. The latest Harborough Solar One project is projecting a return of 4%.
2. Profits, subject to the maintenance of a contingency reserve, are paid to members as interest. Capital may be repaid to members from the end of year 3 with all capital paid back by the close of year 20. Additional reserves shall be used for community purposes as agreed by the members.
3. The total installed capital cost is £149,702.
4. Inflation is assumed at 2.5% over the 20 year period.
5. Income is based on the value of the Feed-in-Tariffs (Generation and Export) reflecting relevant FIT levels plus revenue from a Power Purchase Agreement with NBJ (London) Ltd.
6. Equipment depreciation is straight-line over the 20 year period.
7. The Society will produce annual accounts and as a small business has 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.

Share offer terms and conditions

Membership

1. 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 hundred shares in 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.
3. Investors may invest between £250 and £20,000 (the minimum investment is reduced to £100 for people living locally). Each investor will receive one vote regardless of the amount invested.
4. Existing members of HS1 who wish to invest in this new share offer will still only have one vote. Their share holding will be described as Shares A and Shares B for the purposes of accounting, however they will still only hold one membership hence one vote.
5. 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.
6. Anyone wishing to become a Member must support the objects of the Society. They can apply on-line or by completing the application form at the end of this share offer document. However, if possible the Society would prefer that prospective members complete an on-line application at:
www.ethex.org.uk/HarboroughEnergy2018.
Payment for the shares is due in full at the time of application.
7. Shares held under this share offer 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. Shares can fall below £1 each if the Directors feel that this is required in order to secure the financial future of the CBS.
8. 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.
9. You will supply Harborough Solar One or Ethex with proof of your identity and address, if we ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. We may have to hold back your shares until we see the proof.

Note: 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.

Ethex will hold your money on trust for you in a segregated client account until the Directors have considered your application. Ethex will return your money to you (within 28 days of the Board of Directors meeting at which they consider your application), if Harborough Solar One decide not to issue shares to you.

If the Directors decide to issue you with fewer shares than you applied for, Ethex will return the balance to you (within 28 days of the Board of Directors meeting). Harborough Solar One will not pay you any interest on any money it returns to you.

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 - A failure to raise the maximum investment for the project will require the Board to scale back the installation or reconsider its viability – a decision on this will be taken once the share offer closes. If the project is not viable your capital will be returned.

Theft and 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. The solar array will also be secured with a fence and locked gate as stipulated by our insurance company.

Costs associated with the management and maintenance of the project and debt servicing may increase beyond the rate of inflation currently allowed for within our financial modelling.

Other assumptions that we have built into our financial modelling relating to energy price inflation, RPI, proportion of electricity sold to host organisations and export levels, may prove to be inaccurate.

Local weather conditions affecting the amounts of electricity generated from renewable energy projects.

Mechanical failure - This will be addressed through warranty and insurance secured by the Society.

Change in circumstance of the host organisation. Should NBJ (London) Ltd seek to terminate the license agreement that it holds with the Society then NBJ shall pay to the society a lump sum to compensate for loss of income and community benefit.

Changes to the regulatory regimen - The Feed in Tariff is guaranteed for 20 years under primary legislation. The Feed in Tariff is due to cease from March 2019. Our project assumes that the system will be commissioned before the current subsidies cease. Current levels of deployment would suggest that significant changes to the subsidy are unlikely.

Demutualisation

Harborough Solar One ('the Society'), may be dissolved:

- (a) in accordance with section 119 of the Act by an instrument of dissolution;
- (b) in accordance with section 123 of the Act in pursuance of a winding up order or by a resolution made or passed as directed in regard to companies by the insolvency Act 1986; or
- (c) in accordance with section 125 of the Act, after administration and administrator issues a notice to dissolve the Society without prior winding-up. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members, but shall be transferred instead to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of profits and assets as is imposed on this Society by virtue of these Rules, as may be decided by the members at the time of or prior to the dissolution.

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/wp-content/uploads/2015/09/Rules.pdf
- Harborough Energy take data protection seriously and operate a robust internal Data Protection Policy. Details of our recently updated GDPR compliant Privacy Policy can be found via this link: www.harboroughenergy.co.uk/about/privacy-policy

To become a member please complete the share application form, or complete an online application at www.ethex.org.uk/HarboroughEnergy2018

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/HarboroughEnergy2018

2. Postal application

You may apply using the application form overleaf. Please cut out and complete it.

Return it with your payment (if paying by cheque) to: **Ethex, 106-108 Cowley Road, Oxford, OX4 1JE**

You may photocopy the form if you wish.

3. Your payment

Upon placing an order for shares, Ethex will get in touch with you to arrange payment - either by a BACS bank transfer or by cheque.

If you are paying by **BACS** - Ethex will provide you with the account number and sort code of the segregated client account that the monies will go into.

If you are paying by **cheque** - your cheque should be made payable to '**Ethex Investment Club Ltd**'. If you placed your order on-line, please write the **unique order reference** that you received when you placed your order, on the back of the cheque. If you are ordering manually, please remember to enclose the cheque with the paper application form.

Cheques and application forms should be sent to: **Ethex, 106-108 Cowley Road, Oxford, OX4 1JE**

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 or telephone Ethex on: **01865 403 304**



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

Application Form:

Harborough Solar One Ltd - Second 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 your postcode starts with 'LE' or 'NN') and not more than £20,000.

Individual Applicant details

Title (Mr / Mrs / Ms / Other):

Name: (forename/s) (surname)

Nationality: (required by Money Laundering Regulations)

Address:

.....

..... Postcode:

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

.....

..... Postcode:

Daytime telephone number: Date of birth:

Email address:

I wish to pay by:

BACS ☐

Cheque ☐

(tick your chosen method - please refer to the 'Application Process' section above)

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 payment 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.ethex.org.uk/HarboroughEnergy2018

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