



## INVEST IN COMMUNITY-OWNED RENEWABLE ENERGY PROJECT

Solar PV on the roofs of the Roupell Park Estate

POWER TO, FOR AND BY THE PEOPLE

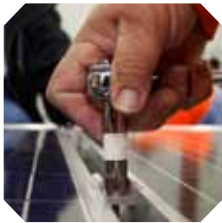


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> Share offer opens 6th June 2013 and is scheduled to close at midnight on 14th July 2013

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Creating Local Energy

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# 01. DIRECTORS' LETTER

6th June 2013

## SUMMARY INFORMATION

This document details and contains an invitation to subscribe for shares in Brixton Energy Solar 3 Co-operative Limited ("Brixton Energy Solar 3", "BES3" or the "Co-operative").

Brixton Energy Solar 3 is a new co-operative society, registered under the Industrial and Provident Societies Act 1965 (Registration No. 31958R). The Co-operative's mission is to enable people to invest in renewable energy generation in Brixton and to raise funds for community-based energy efficiency initiatives.

This Share Offer contains an invitation to invest in the withdrawable share capital of Brixton Energy Solar 3. We are seeking to raise approximately £67,000 by July 14<sup>th</sup> to invest in up to 52.5kW installed capacity of community-owned solar photovoltaic energy generation on the roofs of Hyperion, Fairview, Warnham and Community Office Centre in the Roupell Park Estate, Brixton. This project will increase renewable energy generation in Brixton. It will benefit from the UK Government's feed-in tariff for solar photovoltaic installations and will provide a financial and social return on the investment.

Brixton Energy Solar 3 is a co-operative society and therefore each member will have one vote (regardless of the number of shares held). The members of the co-operative will determine, collectively and co-operatively, what to do with any financial return that results from this investment. This may include a combination of a financial return to the investors and investment in local energy efficiency initiatives.

The information contained in this Share Offer has been prepared under the supervision of the directors of the Brixton Energy Solar 3, who take responsibility for its contents. To the best of their knowledge, all information is accurate. This Share Offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means you have no right of complaint to an ombudsman. An industrial and provident society is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

Full details on the legal compliance and the terms of the Share Offer are set out in the main body of the Share Offer. Technical and other words and phrases used with a particular meaning in this Share Offer are defined and explained in the glossary. This summary should be read as an introduction only. As a prospective investor, you should read the whole of this Share Offer and be aware of any risks involved in making an investment. You should also read the rules of the Co-operative (the "Rules"), which are available for viewing at [www.brixtonenergy.co.uk](http://www.brixtonenergy.co.uk). An investment in the shares offered in this Share Offer carries risks and you may lose the value of your investment. If you have any doubts or questions, you should seek independent advice.

The initial offer period is for 5 weeks. At the discretion of the Board, the offer may be extended for up to a further twelve weeks. In the event that the offer is oversubscribed, the board of directors will decide how to allocate shares in the best interest of the Co-operative, with general priority being given to local investors geographically closest to the solar array and to those that allocate their annual share payment to the Community Energy Efficiency Fund.

Dear Potential Investors,

Brixton Energy Solar 3 is a new co-operative set up to enable local people to invest in renewable energy generation in Brixton and raise funds for energy efficiency initiatives. By purchasing shares in Brixton Energy Solar 3, your money will be immediately invested locally, financing the installation of a major solar power station in Brixton, creating jobs and training opportunities and helping to alleviate fuel poverty.

The launch of Brixton Energy Solar 3 follows the success of Brixton Energy Solar 1 & 2, the first inner-city community-owned solar power stations in Britain. Brixton Energy Solar 1 saw the installation of a 37kW solar array on the roof of Elmore House on the Loughborough Estate. The array has been generating renewable energy for Brixton since 30th March 2012. Solar 2 saw the installation of a 45kW solar array on Styles Gardens - five housing blocks situated on the Loughborough Estate. The array has been generating renewable energy for Brixton since the 31st of October 2012. To date, the two projects have generated in excess of 50,000kWh of community-owned renewable energy in Brixton.

Using the same community led approach, the solar panels for Brixton Energy Solar 3 will be installed on four buildings within the Roupell Park Estate: Hyperion House, Fairview House, Warnham House and the Community Office. The income from the project will be derived principally from the government's Feed-in Tariff scheme, which is guaranteed for 20 years. Some of the energy generated by the project will be used on site with the remainder energy sold directly back to the grid. After operating costs are deducted, profits resulting from the sale of energy will be used to support local energy efficiency initiatives and provide Co-operative members with an annual return on their investment.

More and more people now accept the urgent need to reduce our unhealthy dependence on fossil fuels. Many of us also realise that we cannot wait for others to tackle the problem. We need to see action now, not only from the government but also from individuals, households and communities. The combined array for Brixton Energy Solar 3 (52.5kW installed capacity) is expected to save approximately 22 tonnes of CO<sub>2</sub> every year by displacing electricity that would otherwise be generated by coal and gas power stations.

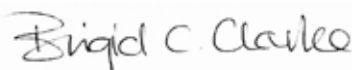
We hope that you will join us in making this happen.

## DECLARATION:

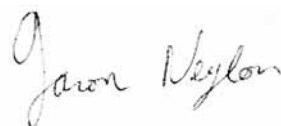
Brixton Energy Solar 3 Co-operative Limited and each of its Directors whose names are set out below hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Share Offer is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Directors

**Brigid Clarke**



**Jason Neylon**



**Andre Pinho**



**Agamemnon Otero**



# 02. BRIXTON ENERGY SOLAR 3

## THE CO-OPERATIVE

**Brixton Energy Solar 3 Co-operative Limited is a new co-operative society, registered under the Industrial and Provident Societies Act 1965 (Registration No. 31958R). The Co-operative offers an exciting new opportunity for individuals to support the generation of solar power in Brixton and to contribute to wider action to reduce our dependence on fossil fuels.**

The project's aims are:

1. To generate as much renewable energy as economically possible on the roofs of the housing blocks of Hyperion, Fairview, Warnham and the Community office in the Roupell Park Estate.
2. To create enough financial surplus to fund local energy efficiency projects, both practical and educational and to provide investors with a fair and reasonable return on investment.
3. To engage with the local community as stakeholders in, and beneficiaries of, the project, in response to the challenges of climate change.
4. To become an exemplar for green projects in London and throughout the UK.

Following the award winning model that was successfully used to deliver Brixton Energy Solar 1 & 2 (BES1 and BES2) community-owned solar arrays on the Loughborough Estate, Brixton Energy Solar 3 has been established as a co-operative society. Co-operatives are not-for-profit organisations that are jointly owned and operated by a group of people for their mutual benefit. They are democratic enterprises, operating with a one member, one vote policy. This means, for instance, that the members of the Co-operative will decide collectively who will serve on the Board of Directors and how to divide and distribute the income generated from the project (in accordance with the Rules). Brixton Energy Solar 3 is a social enterprise that seeks to achieve real social and environmental outcomes. If you invest in the Co-operative, you will be joining this collective, democratic, community-based effort to bring about real change. Although we offer a modest financial return on your investment, we hope that you will also value the wider social and environmental return that your investment will bring.

## THE PROJECT

**Brixton Energy Solar 3 (BES3) will focus on delivering benefits for the local community and is the third project to be implemented in conjunction with Repowering Limited. Repowering is a not-for-profit co-operative organisation that specialises in creating local energy through a community-led approach.**

Repowering works with local authorities and community groups, such as Brixton Energy, and specialises in the creation of community-owned renewable energy projects, thereby empowering local communities to create and own renewable energy infrastructure.

The BES3 project will see the installation of up to 52.5kW of solar electric (photovoltaic) panels on the roofs of four housing blocks in the Roupell Park Estate, Brixton, including: Fairview (24kW); Warnham (10kW); Hyperion (10kW); and the Community Office (8.5kW). The estate is owned by Lambeth Council and managed by the Roupell Park Residents Management Committee (RMC). We secured approval from Lambeth Council to install solar panels on the roofs following multiple consultation events with the residents of the estate from November 2012 to June 2013. We have secured a lease for the 20-year life of the Government's Feed-in Tariff with Lambeth Council.

The project has been designed so that electricity generated from the solar panels will be installed on and used first to meet the demands of Roupell Park RMC to power the communal spaces in each of Hyperion, Fairview, Warnham and the Community office. Unfortunately, it is not possible to provide a direct supply of electricity from the project to the flats in Hyperion, Fairview or Warnham because they are metered individually. However, we intend that these households should be the first beneficiaries of the social fund generated by income from the project, with initial emphasis on draught-busting, other energy efficiency improvements and education initiatives. We are currently in discussions with Roupell Park RMC and their electricity provider to ensure this will be done efficiently and effectively. The remainder of electricity generated by the project will be exported to the National Grid.

# INCOME GENERATION

The Co-operative will receive income from:

- a. the Feed-in Tariff (FIT), a 20-year inflation-protected price per kWh that is legally required by the Government to be paid by the electricity supplier at Loughborough Estate to the Co-operative for generating electricity from renewable resources;**
- b. an export tariff under the FIT for the sale of electricity exported to the National Grid; and**
- c. the possible sale of discounted electricity to Roupell Park RMC for any energy that is consumed on-site.**

The main source of project income is from the Feed-in Tariff. The Generation Tariff for installations of up to 10kW installed capacity is currently 13.99p/kWh. The Generation Tariff for installations of 10-50 kW installed capacity is currently 13.03 p/kWh. These rates will be adjusted annually in line with the retail price index to guard against inflation. Most of this electricity will be exported to the National Grid under a 'power purchase agreement' (PPA) with the local electricity provider.

Under provisions of the FIT, because each of the four installations is under 30kW installed capacity, 50% of the energy generated will be deemed to be exported at an initial rate of 4.5p/kWh (also inflation-adjusted annually). In addition, under the arrangements of this project, we may be able to sell power that is used by Roupell Park RMC on-site under a separate PPA.

We are in discussions with Roupell Park RMC to negotiate the rates for electricity used at Roupell and will secure definitive terms for a PPA with Roupell Park RMC and/or its electricity provider. We intend to resolve this issue before the installation of the project. In any event, the directors will act in the best interests of the Co-operative to secure a financial return and, in line with the Co-operative's social and environmental aims, provide renewable energy to the Roupell Park Estate.

We are confident that this project can still meet all four core aims: deliver a major increase in renewable energy generation in Brixton; deliver energy efficiency initiatives in the area through the Community Energy Efficiency Fund; provide a green investment opportunity to residents and become an exemplar for green projects in London and throughout the UK.





# THE COMMUNITY ENERGY EFFICIENCY FUND

In line with the aims of a co-operative organisation and social enterprise, the project has been structured so that a portion of the revenue generated through the project will be placed into a Community Energy Efficiency Fund (CEEF). This fund will then be used to improve the energy efficiency of the housing stock in Roupell Park Estate and Brixton as a whole, thereby taking meaningful steps to alleviate fuel poverty for some of the poorest residents.

To enable the CEEF to grow faster and be more effective, we invite each investor to allocate their annual share interest payment to the Community Energy Efficiency Fund.

## WHY DONATE TO CEEF?

The CEEF is intended to support the delivery of initiatives like:

- a. the promotion and installation of relatively low-cost energy efficiency measures, such as 'draught-busting';
- b. information and guidance about opportunities to install more substantial measures, such as those proposed in the Government's Green Deal; and
- c. local workshops to explore day-to-day practical opportunities and lifestyle changes to reduce energy consumption and costs.



## HOW MUCH WILL GO INTO CEEF?

The CEEF can be funded through a combination of revenue from the project and shareholder contributions, as well as money available through Government programmes and/or charitable funds. In accordance with the Co-operative's Rules, the members of the Co-operative will determine collectively at each annual general meeting how much profit from the project will be set aside for the CEEF.

We envisage that the annual CEEF contributions from the generation of solar energy will provide a secure long-term platform upon which to pursue wider energy efficiency fundraising and activity. For instance, Repowering secured grant funding from the Local Energy Assessment Fund (LEAF) to augment the CEEF for Brixton Energy Solar 1. Both CEEF funds for Brixton Energy Solar 1 & 2 were match funded through the Community Energy Savings Programme

(CESP). Brixton Energy Solar 3 is not eligible for CESP but the directors will seek to secure alternative funding to supplement its CEEF.

In addition, it is possible for shareholders in the Co-operative to allocate their annual interest payment to the CEEF. In Brixton Energy Solar 1, seven investors (representing 15% of total capital investment) took this opportunity.

We would like to invite you as a new Brixton Energy Solar 3 Co-operative member to consider allocating a portion of your annual share payment to the Community Energy Efficiency Fund. In so doing, you will still be eligible for tax relief on your investment (see below in "Taxation and SEIS relief").

20% of total net profits set aside for the CEEF

## HOW DOES CEEF PROVIDE BENEFITS TO THE COMMUNITY?

The use of the CEEF will be determined by the members of the Co-operative and overseen by its directors. Energy efficiency initiatives will be developed with the local residents and community groups and agreed upon by all Co-operative members.

Projects will be delivered in collaboration with local residents.



## WHAT HAVE WE DONE SO FAR WITH THE CEEF FROM BES1 AND BES2 FOR LOUGHBOROUGH ESTATE?

### HOME ENERGY AUDITS:

A total of seven home energy audits have been conducted at Elmore House (BES1) and Styles Gardens (BES2) that included installation of energy-saving measures such as energy-efficient light bulbs and energy-saving power down plugs.

### ENERGY SURVEYS:

During the last 15 months, the Repowering and Brixton Energy team have directly engaged with residents on the estate. Energy surveys completed by residents demonstrated that more than half were interested in information on saving money on energy bills and related project activities.

### ENERGY ADVICE SESSIONS:

six energy efficiency advice sessions were delivered at the Brixton Customer Centre on Brixton Hill. A total of 132 people were spoken to, of which a significant number were spending more than 10% of their income on space heating and electricity.

### COMMUNITY EVENTS:

The Brixton Energy and Repowering team has delivered a series of events that included solar panel making workshops, draught-proofing workshops providing information on energy efficiency and advice on reducing costs on energy bills. These events were held at the Loughborough Centre and the Roupell Park Community Centre.



COMMUNITY EVENTS



HOME ENERGY AUDITS



ENERGY SURVEYS

ENERGY ADVICE SESSIONS



***"I am so thankful for the Energy audit. I just hope other people on other estate will have this too."***

Shamsa Osman Gure, Loughborough estate.

## WORK EXPERIENCE

The Brixton Energy Solar 1 Co-operative provided Kevin Wilson of Nevil House a two-week work placement with Southern Solar on the renewable energy installation. Kevin now holds a full time job in the construction industry.

Emmanuel Okwera, Andrew Enebe, Habiba Usman and Inca Williams all benefited from a work placement with Southern Solar on the Brixton Energy Solar 2 renewable energy installation. They are all young people from Brixton studying to become electrical engineers.



***"I was motivated to get involved in the project because it is funded by local residents rather than a company I had never heard of. Having completed the work experience, I now really want to tell others about solar energy. I think we need to be less reliant on expensive energy providers, who have increased their prices for electricity and gas recently."***

- Inca Williams



***"I love the fact that I have been able to contribute to a project that will benefit local people for the next 20 years or so."***

- Andrew Enebe

***"I was surprised to learn that the solar project was funded by local residents rather than the Council. It goes to show how far people are willing go when it comes to working together to bring about positive change within their communities."***

- Emmanuel Okwera

For Brixton Energy Solar 3, the Southern Solar team installing the solar panels on the Roupell Park Estate will be joined by members from Repowering's internship programme (Nadaene, Isha, Kamel and Blazej) who have all recently completed a 10-week work placement covering renewable energy finance, IT, PR, legal and technical skills.

# 03. INVITATION TO PURCHASE SHARES

Roupell Park Estate  
residents minimum  
investment £50

**Brixton Energy Solar 3 is offering ordinary withdrawable shares for purchase. Each ordinary share has a nominal value of £1 and the minimum shareholding is £250. Investors living on Roupell Park estate can have minimum shareholding of £50. Membership is open to British citizens and/or UK residents aged 16 and over. Corporate bodies, voluntary organisations and public sector investors may also become members.**

This Share Offer seeks to raise sufficient funds to finance a solar array of up to 52.5kW installed capacity on the roofs of the Roupell Park Estate, Brixton. We are seeking to raise approximately £67,000 to cover the estimated total capital cost. Once the solar array is installed, all annual running and administrative costs, including insurance, will be met through the project's annual revenue stream.

The initial offer period is for five weeks from 6th June until 14th July 2013. At the discretion of the Board, the offer may be extended for up to a further twelve weeks. In the event that the offer is oversubscribed, it is at the discretion of the Board to prioritise local residents, i.e. those living in postcodes geographically closest to the Roupell Park Estate and those who allocate their return on investment to CEEF. A great deal of work and effort has already been made in Brixton Energy Solar 3.

We have received substantial support from:

- **Lambeth Council**
- **Repowering**
- **Roupell Park Resident Management Committee**
- **Southern Solar**
- **Transition Town Brixton**
- **Volunteers.**

More information about support we have received is included in page 14.

As all development milestones have been met, and all running costs will be met by the income from the generation of solar power, our aim in this Share Offer is to raise money for the capital costs only. Southern Solar have been appointed to install the panels in June 2013.

## RETURN ON INVESTMENT

The estimated annual return to members of the Co-operative is based on projected income and expenditure over the life of the solar array, using the assumptions stated in the business case below. Your investment decision should consider these assumptions carefully, as well as the identified risks. We believe that Brixton Energy Solar 3 is a comparatively secure investment because its income streams are primarily derived from the Feed-in Tariff, a programme implemented and guaranteed by the UK Government for 20 years. However, no investment is completely risk-free and the rate of the annual interest payment cannot be guaranteed.

If you buy shares, you will automatically become a member of Brixton Energy Solar 3 which operates on a one-member, one-vote basis. You cannot trade your shares on a stock exchange or transfer them to other individuals. The transfer of shares is only possible following the death of a member (if you nominate someone), or other exceptional circumstances included in the Rules.

Once you have bought shares in Brixton Energy Solar 3, you will normally keep them until the end of the project, at which time all outstanding shares will be repaid in full to members. For example, if you invest £1,000 you can expect to receive an annual interest paid as return on your investment and full repayment of the initial £1,000 investment at the end of the project's projected life in 20 years' time. You have the right to withdraw any or all of your share capital (after the first three years) on application to the board of directors and in accordance with the Co-operative's Rules.

Because Brixton Energy Solar 3 is a co-operative, its members will decide collectively how to divide and distribute the income generated from the project in accordance with the Rules. The Rules provide that any profits of the project will be applied in proportions decided by the members of the Co-operative at each annual general meeting, in accordance with the following principles:

- a. firstly, to a general reserve for continuation and development of the Co-operative;
- b. secondly, to pay a share interest to members;
- c. thirdly, to make payments for social or charitable purposes (e.g., the Community Energy Efficiency Fund);
- d. fourthly, provision for payback of initial capital investment.

The Board of Directors has the authority to pay interim annual interest payment without the approval of a general meeting of the Co-operative. The current directors do not presently intend to make any interim payments without approval from a general meeting of Co-operative members.

The Co-operative's governing document (The Rules) explains members' rights as well as details of the nature of the shares and the management and constitution of the Co-operative. They can be examined on the Brixton Energy website ([www.brixtonenergy.co.uk](http://www.brixtonenergy.co.uk)) or sent via email on request.



# TAXATION AND SEIS RELIEF

50% tax relief on share investment. No minimum investment required.

We have applied for advance assurance from HM Revenue & Customs that the Offer Shares will qualify for tax relief under the Seed Enterprise Investment Scheme (SEIS). If this is granted (which is not guaranteed), this relief offers significant tax relief for qualifying investments.

Relief is given against personal tax liability provided there is a sufficient liability to cover this. For example, if you have invested £250 you can claim a 50% rebate (£125) against your annual tax bill, provided that your tax liability for the year is at least £125.

The SEIS is a tax relief scheme that was successfully applied for by Brixton Energy Solar 2 and offers incentives similar to the Enterprise Investment Scheme (EIS), which was applied to Brixton Energy Solar 1. If the Co-operative does not comply with the requirements of SEIS for the qualifying period, the tax relief will be withdrawn. The Board will reasonably seek to conduct the business of Brixton Energy Solar 3 so that it qualifies under the SEIS but there is no guarantee that it will be able to do so. You should not assume that these benefits will automatically accrue on investment in this project. You should seek independent financial advice, if you intend to claim relief under the SEIS.

## HMRC guidance

HM Revenue & Customs provides the following brief explanation of SEIS. More information can be found at: <http://www.hmrc.gov.uk/seedeis/index.htm>.

The SEIS is designed to help small, early-stage companies to raise equity finance by offering a range of tax reliefs to individual investors who purchase new shares in those companies. It complements the existing EIS, which will continue to offer tax reliefs to investors in higher-risk small companies. SEIS is intended to recognise the particular difficulties which very early stage companies face in attracting investment, by offering tax relief at a higher rate than that offered by the existing EIS. SEIS applies for shares issued on or after 6 April 2012. More detailed guidance on the rules for SEIS can be found in HMRC's Venture Capital Schemes manual which is available at: <http://www.hmrc.gov.uk/manuals/vcmmanual/VCM30000.htm>

## Claiming Relief under SEIS

In order to claim tax relief under SEIS, HMRC provides that you can make a claim on your Self Assessment tax return for the tax year in which the shares were issued. If you have an SEIS for a year for which you have not yet received a tax return, you can request a change to your PAYE tax code, or an adjustment to any Self Assessment payment on account due. You will still have to make the claim itself on your tax return when you get it. If the shares were issued in a year for which it is too late to

make or amend a Self Assessment, or if the claim is for capital gains re-investment relief, you must also complete the claim part of the claim form and send it to your tax office. You can claim relief up to five years after the 31 January following the tax years in which the investment was made.

For more information:

<http://www.hmrc.gov.uk/seedeis/procedures.htm>.

## Income tax relief

According to HMRC guidance, Income Tax relief is available to individuals who subscribe for qualifying shares in a company which meets the SEIS requirements, and who have UK tax liability against which to set the relief. Investors need not be UK resident. The shares must be held for a period of three years from date of issue for the relief to be applicable. If the shares are disposed of within that three year period, or if any of the qualifying conditions cease to be met during that period, relief will be withdrawn or reduced. Relief is available at 50% of the cost of the shares, on a maximum annual investment of £100,000. The relief is given by way of a reduction of tax liability, providing there is sufficient tax liability against which to set it. Please note that the relief cannot be set off against the notional tax credit on dividend income, as that tax credit is not recoverable.

There is a 'carry-back' facility, which allows all or part of the cost of shares acquired in one tax year to be treated as though the shares had been acquired in the preceding tax year. The SEIS rate for that earlier year is then applied to the shares, and relief given for the earlier year. This is subject to the overriding limit for relief each year. Please note that there is no SEIS rate for a year earlier than 2011-12, so there is no scope for carrying relief back before that year.

## Capital gains reinvestment relief

This relief is for the tax year 2013-14 only. If you dispose of an asset which would give rise to a chargeable gain in 2013-14, and reinvest all or part of the amount of the gain in shares which also qualify for SEIS income tax relief, the amount reinvested will be exempt from Capital Gains Tax. The £100,000 investment limit which applies for income tax relief also applies for re-investment relief. The 'carry-back' facility applies for capital gains re-investment relief as it does for income tax relief. The asset does not have to be disposed of first; the investment in SEIS shares can take place before disposal of the asset, providing that both disposal and investment take place in 2013-14.



## THE FEED-IN TARIFF

In 2010, the UK Government introduced a Feed-in Tariff (FIT) scheme for the generation of electricity from small-scale renewable energy projects, including solar photovoltaic. The Feed-in Tariff will be the principal source of income for Brixton Energy Solar 3.

The government's stated aim for the FIT is to encourage the deployment of small-scale, low-carbon electricity generation, particularly by organisations, businesses, communities and individuals that have not traditionally engaged in the electricity market. The FIT scheme requires electricity suppliers to pay small-scale renewable energy generators, both for all the electricity they generate (the Generation Tariff) and for any surplus electricity they export to the grid (the Export Tariff). Electricity suppliers are required, by law, to pay the FIT to anyone who installs solar electric arrays up to a maximum size of 5MW.

The FIT was designed to provide investors in renewable energy with long-term price security: payments under the scheme are guaranteed for 20 years from the date when the installation is commissioned. The tariff is inflation-linked, increasing from 1st April each year by the rate of inflation (using the Retail Price Index) in the previous calendar year.

Brixton Energy Solar 3 will install four separate arrays for a total installed capacity of 52.5kW, including: Fairview (24kW); Warnham (10kW); Hyperion (10kW); and Community Centre (8.5kW). The Generation Tariff for installations of up to 10kW installed capacity is currently £0.1399/kWh. The Generation Tariff for installations of 10-50 kW installed capacity is currently £0.1303/kWh. These tariff rates have been used to calculate income streams in the indicative Financial Model discussed below.

In addition, under provisions of the FIT, because each of the four installations is under 30kW installed capacity, 50% of the energy generated will be deemed to be exported at an initial rate of £0.045/kWh (also inflation-adjusted annually). While it is possible to install export meters on this project, the financial and administrative cost for their installation and maintenance would outweigh any increase in revenue under the Export Tariff and, accordingly, no export meters will be installed.

The Government also announced that installations after 1 April 2012 need an energy efficiency requirement, pursuant to which projects will need to demonstrate that the building to which the solar PV installation is attached or wired to provide electricity has an Energy Performance Certificate (EPC) rating of Level D or above. Each of the buildings in the Roupell Park project where solar PV will be installed has an EPC rating of Level C and, therefore, the project meets the requirement.

Under current legislation, the FIT is available for 20 years after the solar panels have been commissioned. Solar panels have been in general usage around the world for more than 40 years. Based on the performance of existing solar PV arrays throughout the world, the panels are likely to have a considerable amount of life left in them after 20 years and we intend to continue to use the panels to generate and provide renewable energy in Brixton for many more years. However, there is no guarantee of any income from the panels during this latter stage of their lives. Consequently, a review of options for the array will be scheduled nearer the end of the 20-year life under the FIT to decide what should happen to the panels and whether to dissolve the Co-operative at that point.

# INSTALLATION AND OPERATION OF THE SOLAR ARRAY

Solar panels are rated under laboratory conditions for a peak output under a specific intensity of sunlight. The combined rated peak output of the Brixton Energy Solar 3 photovoltaic arrays will be up to 52.5kW. However, the actual power output of a photovoltaic panel is, in practice, always lower than its rated output and depends on many factors including the amount of solar incidence (i.e. the energy that reaches the panels dependent on season, latitude and time of day); the angle and direction which the panels face; and the weather. The most important factor when estimating the energy generated by the project is not the rated peak power output but the estimated total annual energy output.

## ***Estimated annual output***

We estimate that a 52.5kW array on Roupell Park Estate would generate approximately 50,000kWh of electricity per year (on average). This estimate is based on industry data for solar panels and average annual sunshine hours for Brixton. Most of the panels will be mounted on the long southern edges of the roofs of Warnham, Hyperion, Fairview and Community Office on the Roupell Park Estate where they will be subject to minimal shading throughout the year. Some of the panels will be installed to the rear of the roofs where they will experience limited shading from chimney stacks in the winter months. The arrangement of panels will be optimised to ensure that shading factors have a minimal impact on total generation and winter generation is a very small part of total power output across the year.

The panels will be wired to inverters within the buildings which convert the low voltage DC output from the panels into AC power. This electricity will feed into the main electrical distribution point for each building from where it will either be used to meet immediate demand from communal areas, or exported to the National Grid. Meters will be installed to record the total amount of electricity generated by the project.

## ***Sale of energy***

As noted above in Brixton Energy Solar 3 - Income Generation (p5), we intend to export the majority of the electricity produced to the National Grid and sell electricity that is used

on-site for communal use to Roupell Park RMC. We intend that energy for communal use will be sold under a separate power purchase agreement (PPA), to be agreed with Roupell Park RMC and its electricity providers. This agreement should be in place prior to the installation of the project. In the event of any delays experienced in securing this agreement, the directors will act in the best interests of the Co-operative to secure a financial return and provide renewable energy to Roupell Park Estate, in line with the Co-operative's social and environmental aims.

## ***Operation and maintenance***

Solar photovoltaic panels are solid-state technology with no moving parts. As such, they tend to be robust and reliable, requiring a minimum of maintenance once installed and commissioned. They can remain operational for decades although their efficiency and output declines over the years. This is accounted for in the financial model. The inverters have a shorter life time and generally need to be replaced every 10-15 years. The cost of one replacement inverter per system has been included in the running costs for the project. Warranty of the equipment and its installation will be provided by the manufacturers and the installers, respectively.

Insurance is included in the annual running costs, covered by income from the panels. The roof is being leased to Brixton Energy Solar 3 by London Borough of Lambeth in return for a discounted electricity supply to Roupell Park RMC. We are working with Lambeth Council to secure sign-off on the lease agreement for the 20 year life of the Government's Feed-in Tariff. Brixton Energy Solar 3 will remain the owner of the panels throughout the 20-year life of the project. The board and directors of Brixton Energy Solar 3 will remain responsible for the ongoing operation, monitoring and maintenance of the panels under the direction and agreement from the Co-operative and its members as a whole.





# FINANCIAL MODEL

The information provided here is given as an illustration only of the projected financial returns that may be generated from this project. A number of variables as described above will affect the income generated and therefore it is not possible to provide a definitive statement of the exact financial return that will result from the project. By modelling the projected costs and revenues associated with the project, coupled with experience of the returns realised through previous projects, Brixton Energy Solar 3 aims to deliver a competitive financial return on your investment.

## CAPITAL COSTS OF PROJECT

The anticipated cost for the purchase and installation of up to 52.5kW installed capacity for the Brixton Energy Solar 3 project is £67,000. This is based on an estimated cost of £1.276 per rated Watt installed. If the price paid for the system proves to be higher or lower than £67,000, the investor and social returns on investment will be adjusted accordingly. Spread out across the lifetime of the project, such adjustments to the anticipated rate of return are likely to be minor.

## INDICATIVE REVENUES FROM PROJECT

Revenues generated from the installation of the project will primarily be derived from the Feed-in Tariff (FIT) including:

A Generation Tariff based on the size of the system and the amount of power (measured in kWh) generated by the system.

An Export Tariff based on the amount of energy from the system that is exported (or deemed exported under the rules and procedures of the FIT) to the National Grid.

Payments under the FIT are guaranteed for 20 years and the payment rates are index-linked to inflation (using the Retail Price Index).

Based on the Government's recent announcements regarding the FIT (see above in The Feed-in Tariff), we have assumed that the Generation Tariff for the proposed system will be £0.1399/kWh and the Export Tariff will be £0.045/kWh. The amount of revenue generated from the project will depend on the amount of available sunlight for any given year, which will vary from year to year.

We estimate that the annual revenue for the project will be derived from the following:

a) Generation Tariff under FIT: This is estimated to be £3,389 for Warnham, Hyperion and the Community Office in the first year (24,225 kWh x £0.1399/kWh). Fairview is estimated to be £2,658 in the first year (20,400 kWh x £0.1303/kWh). The tariff will be adjusted annually for inflation and incorporates the standard industry estimation of a 1% degradation in solar panel performance each year.

b) Export Tariff under FIT will be the same for all systems: This is estimated to be £0.045 in the first year. Under the rules and procedures of the FIT, unless an export meter is installed, all projects are deemed to export 50% of the energy generated (Therefore revenue generated through export tariff is calculated as total energy generated (44,625 kWh) x 50% x £0.045/kWh). This income will also be annually adjusted for inflation and system performance. Whilst it is possible to install export meters on this project, the financial and administrative cost for their installation and maintenance would outweigh any increase in revenue under the Export Tariff. Consequently, no export meters will be installed.

c) The possible sale of electricity used on-site for communal areas to the building operator (Roupell Park ) for immediate use on site. A power purchase agreement is currently being negotiated with Roupell Park RMC so an estimated export income has been included in the financial model. We anticipate agreeing a rate of approximately 10p/kWh, to be annually adjusted for inflation and system performance. If for any reason this negotiation is not successful and we are unable to sell the electricity used on-site, the annual income will be reduced. However this is the smallest component of the project income.

## INDICATIVE OPERATING COSTS OF PROJECT

A portion of revenue will be set aside annually for the insurance and maintenance of the project and the administration of investments. We estimate that ongoing costs will be approximately £2,800 annually to cover:

- Operation and maintenance of the solar PV equipment
- Maintenance of the Co-operative including preparation of annual reports and distribution of interest payments
- Other associated costs, such as insurance

## PROVISION FOR PAYBACK OF INITIAL CAPITAL INVESTMENT

In addition to the annual operating and maintenance costs, the Co-operative must also ensure that the initial principal investment can be repaid at the end of the FIT (or in the event of a withdrawal of shares). Accordingly, the directors propose that a portion of profits will be set aside (approximately £2,776 per annum) and invested in fixed-term deposits with our bank, the Co-operative Bank. Any interest accrued from the annual deposits over the lifetime of the project will also form part of the capital repayment at the end of the FIT period.

## INDICATIVE DISTRIBUTION OF ANNUAL PROFITS FROM PROJECT

After all operating costs and capital repayment expenses are paid, the project should be generating average annual profits in the region of £3,033 per annum over the lifetime of the project. For instance, based on the estimated figures above, we assume that net profits after costs in the first year will be approximately £1,987. In accordance with the Co-operative's Rules, the members will determine at each annual general meeting how to apportion the profits:

- firstly, in paying share interest to its members;
- secondly, in making payments for social or charitable purposes such as the Community Energy Efficiency Fund (CEEf).



## **ALLOCATION OF NET ANNUAL PROFIT**

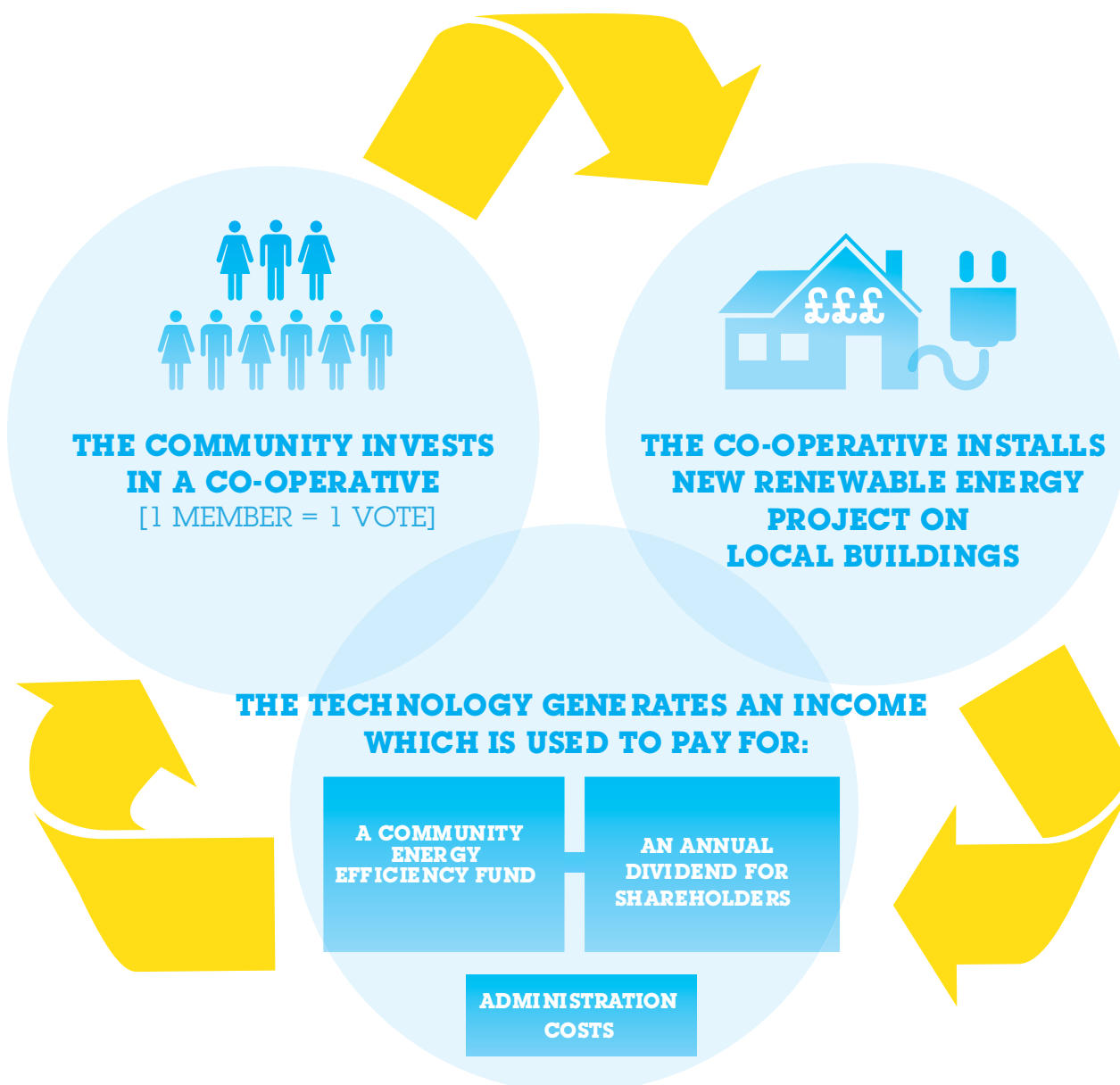
Following the allocation of funds as outlined above, the residual net profits will be distributed in accordance with the Co-operative's rules between paying share interest to members and making payments for social and charitable purposes through the Community Energy Efficiency Fund. The directors propose that the amount set aside for charitable purposes should be equal to 20% of net profits throughout the life of the project, or approximately £12,000. In addition, we anticipate that a number of shareholders in the Co-operative may choose to allocate their annual interest payment to the CEEF. Finally, the Co-operative members will collectively determine how much net profit from the project may be set aside for the CEEF at each annual general meeting.

## **INDICATIVE RETURN**

We estimate that the project will provide an average annual return on investment of approximately 4.2%. This allows for 20% of net revenue from the project to be set aside annually for the CEEF (or similar social and charitable purposes).

As discussed above (see "Tax and SEIS relief"), this return to investors is further augmented by for SEIS tax relief. Assuming that you are able to take advantage of the full relief under SEIS, your investment in Brixton Energy Solar 3 would also benefit from reduction in your tax liability by 50% of the cost of your investment. For investors taking advantage of SEIS relief, this would equate to an effective average annual return on investment of 6.10%, if 20% of net revenue is set aside annually to finance the CEEF.

# **THE FINANCIAL MODEL**



# 04. WHO WE ARE

**Brixton Energy Solar 3 is a project of Repowering London, a community-led initiative which aims to generate renewable energy, develop opportunities for a community investment vehicle, increase resilience by reducing dependence on big energy companies, use retained profits to educate residents about energy efficiency, tackle fuel poverty and provide training and employment for local people.**

## BRIXTON ENERGY SOLAR 3 DIRECTORS



### Brigid Clarke

(Director and Company Secretary) and Brixton resident for 18 years, Brigid originally qualified as a Chartered Accountant. Her subsequent experience includes Management Consultancy: implementing systems for major infrastructure projects, Business Management: shareholder director of a public relations, lobbying and media group and Project Management: property renovations and community led new build. She is a Lambeth Green Community Champion having co-founded Telford Park CAN to promote energy conservation and efficiency within her local community and in 2011 completed a MSc. Architecture: Advanced Environmental Studies and Energy.



### Jason Neylon

(Director) has lived in Brixton since 2004. He has worked for several years as a software developer for both government and consumer website. Currently he is product manager for energy efficiency at a large UK consumer website. Jason is passionate about using technology to create a better world. He has contributed to UNICEF's open source RapidFTR project and helps organise London Cleanweb events which promote the use of the web for sustainability.



### Andre Pinho

(Director) is a Lambeth resident and Green Community Champion since 2009. He holds a Masters degree in aerospace engineering with a thesis in large scale wind energy modelling. He is a young committee member of Institute of Mechanical Engineers (IMechE) Energy, Environmental and Sustainability Group (EESG). Over the last few years Andre has accumulated experience in energy efficiency, co-generation and small scale renewables. He works in an international ESCO as project engineer for their energy solutions division.



### Agamemnon Otero

(Director & Project Manager) is experienced in providing finance solutions for the energy sector including business development, management and operations. He is a director and project manager for Brixton Energy Solar 1 and Solar 2 and Chief Executive Officer for Repowering. He has previously been Director of Renewable Energy Project Finance and Social Responsibility at Better World Finance and the CFO of Energy Bank Ltd. A community activist and speaker on sustainable low carbon economies, Agamemnon has a Master's degree in Architecture in Advanced Environment & Energy and a Baccalaureate in pre-medicine, Literature and Fine Arts.

*At the Co-operative's first annual general meeting, the current directors intend to stand down and offer themselves for re-election by the members. The Directors are not related to each other.*

**Brixton Energy Solar 3 Co-operative Limited is a project of Repowering and has been developed in partnership with the following organisations:**

#### **REPOWERING**

Repowering has facilitated the development of Brixton Energy Solar 3 working with residents of Roupell Park Estate, the Resident Management Committee and Lambeth Council. Brixton Energy Solar 3 follows the successful delivery of Brixton Energy Solar 1 and Solar 2 the UK's first inner city community-owned renewable energy projects on social housing. The projects installed 82kW of solar PV in Brixton and with BES3 this will increase to a total of 134kW of solar PV.

**BRIXTON POUND (B£)** is money that sticks to Brixton. It's designed to support Brixton businesses and encourage local trade and production. It's a complementary

currency, working alongside (not replacing) pounds sterling, for use by independent local shops and traders.

**LAMBETH COUNCIL** aims to become a Co-operative Council by 2014 and strives to give people more involvement and control of the services they use and the places where they live by putting council resources in their hands. The Brixton Energy Co-operatives will see residents generating their own energy and reducing carbon emissions realising Lambeth Council's ambition of moving towards a Co-operative Council.

**SOUTHERN SOLAR** are specialists in the design, installation and maintenance of solar thermal and solar electrical systems. Southern Solar believe that renewable energy and energy efficiency have a big role to play in helping the UK to reduce its' dependency on fossil fuels and its' impact on the environment.

#### **TRANSITION TOWN BRIXTON (TTB)**

a community-based movement with a practical approach to preparing for a low-carbon future. For the last couple of years, TTB have been exploring ways of increasing energy efficiency and using renewable energy in Brixton. Brixton Energy Solar 1 is aligned with the aims of the Transition movement.

#### **ROUPELL PARK RESIDENTS**

**MANAGEMENT COMMITTEE** have been early champions of community-owned solar in Brixton. Their support has been instrumental in the development of the project by supporting the installation of solar panels on the roofs of the Roupell Estate.

**VOLUNTEERS** with a diverse range of expertise including energy efficiency, renewable energy, research, project management, journalism, engineering, web development, communications, finance and business development.





# THE TEAM



**Afsheen Kabir  
Rashid**

is Lambeth Council's Community Energy Officer, Chair of Brixton Energy Solar 1 and 2 and Co-founder of Repowering. Afsheen has several years experience implementing carbon reduction and behaviour change programmes across London engaging with residents, community groups and businesses. Afsheen recently managed the Mayor's Low Carbon Zone initiative in Brixton driving carbon reduction by 12% over a two year period and was instrumental in setting up the Muslim Women's Collective in Tower Hamlets that seeks to empower women to play an active role in improving the environment. Afsheen has an MA in Geography and a MEnv in Environment, Science and Society she is also an Associate member of the Institute of Environment and Assessment (IEMA).



**Will Anderson**

is a writer, researcher, designer and self-builder. He is well-known to readers of the Independent for his column Diary of an Eco-builder which described the construction of one of Britain's first energy self-sufficient homes (on the Brixton-Clapham border). Will has a Masters degree in Energy and Sustainable Development and led the energy and environmental design of the building, which combined exceptional building performance with solar photovoltaic technology. From 2009 to early spring 2011 Will was Senior Researcher at the Centre for Sustainable Energy where he led research into smart meters, energy feedback systems, fuel poverty and energy improvements in historic and listed buildings. His most recent book, Homes for a Changing Climate, focuses on designing buildings to cope with the expected changes in the climate over the 21st century.



**Mary Simpson**

has lived in Brixton Hill for 26 years and has brought together the community through her participation in various local initiatives. Mary is the Roupell Park Estate Committee Chair and an active member of the Solar Energy Project on Roupell Park.

*"This project means a lot to us and our residents as it brings with it valuable work experience for some of our youths as well as an investment opportunity for residents and local investors alike."*



**Taylor Roark**

is a sustainability and renewable energy consultant. He provided legal and strategic advice and assistance on Brixton Energy Solar 1 & 2 and is part of the Repowering development team. Taylor worked as commercial and legal manager in the development of offshore wind projects with Mainstream Renewable Power and Airtricity. Prior to that, he practiced corporate law in New York, Tokyo and London. He has been involved in setting up and running community projects, and serves as Secretary for GREEN, a community-owned solar PV co-operative based in North London.



**Becky Payne**

has lived in Brixton since 1985. She has worked for over 25 years in the heritage world. She has been a policy and grant officer with extensive experience in administration, building contracts, engaging with local communities and giving advice on sustaining historic buildings. Becky has held executive positions in public and private institutions including English Heritage and the Church of England's Church Buildings Division. Now currently working as a freelance consultant and researcher on sustaining historic places of worship through wider community use.

# INTERNS



**NADEANE DAVID (17)**, "I have lived on Roupell Park Estate my whole life. I aspire to be a teacher to disabled children. The Repowering work experience is helping me broaden my horizons and learn more about more than just solar panels. I am enjoying my work experience as I learn something new everyday."



**ISHA DENNY-GARDENER (15)**, "I have lived on Roupell Park Estate for most of my life. For the last ten weeks, I have enrolled in Repowering's internship programme, which is helping our community save money and electricity. I very much enjoy helping out and working with the Repowering team. I have learned so many new skills while bringing people together within the community. I would like to be an events organiser and I am sure I will use the new skills I have gained to fulfill my dreams."



**KEMAL CALLENDER (18)**, "I lived on the estate for 5 years and am studying level 3 electrical installation at Lambeth College. I am interested in all sort of things, from astronomy to energy. I would like to be a chartered technician. Working with Repowering through this internship has been truly empowering experience."



**BLAZEJ MAKOWSKI (16)**, "I have grown up on the Roupell Park Estate and am a semi-professional footballer. While I would like to be a professional footballer and stock trader, I have enjoyed this internship, particularly when learning about different business structures, from co-operative to corporate models. I really enjoy learning about solar panels and how they work but, without doubt, the best experience of this project will be to actually go on the roof and install them."

# 05. REPOWERING LIMITED



REPOWERING Limited is a not-for-profit cooperative organisation that specialises in creating local energy. Creating local energy means that we adopt a community-led approach to delivering renewable energy projects that are owned by the community and provide benefits to local residents.

## OUR VISION



**To create resilient, empowered communities that control and own the generation and use of renewable energy.**

**REPOWERING** is committed to working with Local Authorities and communities to promote and facilitate the wide scale development and local ownership of renewable energy projects across London.

Through our projects we aim to:

- Reduce CO<sub>2</sub> emissions by generating decentralised low-carbon energy
- Tackle fuel poverty and educate residents about energy efficiency
- Empower communities through local leadership and ownership
- Provide opportunities for local and socially responsible investment
- Create training and employment opportunities for local people



**REPOWERING** has the technical, financial, legal, project management and community engagement expertise to replicate the local energy projects across London and is in discussion with 5 Local Authorities with 3 pipeline projects in development to install a further 150 kWp by March 2014.

## WHO WE ARE

In February 2011, a group of local residents came together to identify how best to realise the benefits of the new Feed-in Tariff for the people of Brixton. This group became the **REPOWERING** team, committed to using new approaches to socially responsible finance to deliver real change for the local community.

## AMBITIONS

Building on the work experience and training programme developed through the Brixton Energy projects **REPOWERING** is setting up a workers cooperative providing employment opportunities for local youth.

The local energy projects are not only restricted to solar energy as **REPOWERING** is also in discussion with partners to provide low carbon heating solutions with a community-led approach.

**REPOWERING'S** long term aim is to set up an energy supply company providing its members with affordable, low carbon energy.

## CREDENTIALS: AWARDS AND ACHIEVEMENTS

**REPOWERING** delivered Brixton Energy Solar 1 project (BES1) and Solar 2 (BES2), the UK's first inner-city, community-owned renewable energy projects on a social housing estate.

In July 2012, BES1 was selected by KPMG as one of the Top 100 Innovative Urban Infrastructure projects globally.

In October 2012 **REPOWERING** received further recognition, winning the Inside Housing Sustainable Finance award for the innovative financial model developed for the Brixton Energy projects.

**REPOWERING** has been shortlisted by the Renewable Energy Association for the British Renewable Energy Awards, community category in April 2013.

# 06. TERMS AND CONDITIONS OF SHARE OFFER

Please read this section carefully – it sets out the details for becoming an investor in Brixton Energy Solar 3. Membership is open to individuals, corporate bodies and voluntary organisations. While you may hear about this investment opportunity from other sources, you should make your decision based solely on the information contained or referenced in this Share Offer.

## **SHAREHOLDINGS**

The minimum shareholding that you can apply for under this Share Offer is £250 with the exception of residents (see below). Each share in Brixton Energy Solar 3 has a nominal value of £1, which will not increase but may decrease if the Co-operative suffers sustained losses. The shares are withdrawable but are not transferable. Shares may be withdrawn on application to the Board of Directors, subject to 180 days' notice; no withdrawals will be possible within the first three years of investment. All applications for withdrawal of shares are subject to the terms set out in the Co-operative's Rules. Withdrawals will be honoured so long as, in the sole discretion of the Board of Directors, they do not jeopardise the financial

strength of the Co-operative. For instance, the Board of Directors has the right to change the notice period for withdrawals, or to suspend withdrawals, but it does not presently intend to do so except in exceptional circumstances.

### **Shareholdings-Application from residents of Roupell Estate**

The Directors are keen to encourage Residents of the Roupell Park Estate to participate in the Co-operative. The minimum shareholding that can be applied for if you are a resident of the Roupell Park Estate is therefore reduced to £50. In all other respects the above paragraph applies.

## **VOTING**

All members of the Co-operative will have one vote regardless of the size and value of their shareholding. The sovereign body of the Co-operative is the general meeting, which appoints a board of directors to manage the Co-operative, and the business of the general meeting and the Board of Directors is governed by such resolutions as may be adopted at a general meeting.

## **INTEREST**

Provision is made in the Rules for payment of interest on the share capital at such rate or rates as may be determined by the Co-operative members at each annual general meeting. The directors intend to award a modest financial return on your investment in order to provide a reasonable incentive for investors to maintain their support. Investors should not expect interest payments that mirror the returns of commercial investments.

## **RISK FACTORS**

The directors consider that this project is lower risk than many long-term investments because it is underpinned by the Feed-in Tariff, which is a programme guaranteed by the UK Government for the lifetime of the project (20 years). Nonetheless there are inevitably a range of risks which you should consider.

The Directors have identified the following risks:

- The price of electricity can go down as well as up.
- Changes in legislation, especially to the value of the FIT, could affect the project (though to-date, changes in FIT legislation have only applied to new installations).
- The amount of electricity produced may not meet the target, for example due to unexpected weather patterns or underperformance of the solar panels.
- The project may be delayed for technical, financial or legal reasons.
- There may be interruptions to electricity generation because of financial or legal matters.

- There may be damage to the site that interrupts generation of electricity.
- The capital costs are based on calculations carried out before this share issue. Any subsequent increase in capital costs will have to be met by monies raised in this share offer and any other sources of funding (gifts, grants and loans).
- Legislative changes to the roles and functions of the Financial Services Authority or to those of other regulatory bodies may change the way in which Brixton Energy Solar 3 Co-operative Limited is regulated.
- Although the installation will be fully insured, standard exclusions will apply including 'Acts of God'.

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



## **TERMS AND CONDITIONS FOR APPLYING FOR SHARES**

You cannot withdraw your application for shares after we receive your Application Form. We do not have to accept your application for shares. We may decide not to issue shares to you or we may decide to issue fewer shares than you apply for. We do not have to give any reason for our decisions.

This Share Offer will close on 14th July 2013, unless extended by the Co-operative's board of directors. Your application for shares will only be accepted if we have met the conditions laid out in this Share Offer. If this Share Offer is over-subscribed, shares will be offered in priority by proximity (via postcode) to the project. Your application must be considered for approval at the next Board of Directors meeting.

We will acknowledge receipt of your cheque and application. We may cash your cheque as soon as we receive it. We will hold that money on trust until we issue shares to you. We will return your money to you (within fourteen days of the Board of Directors meeting at which we consider your application) if we decide not to issue shares to you. If we decide to issue to you fewer shares than you apply for, we will return the balance to you (within fourteen days of the Board of Directors meeting at which we consider your application). We will not pay you interest on any money that is returned to you. You will be bound by the Rules (as may be amended from time to time) if we issue shares to you.

## **NOMINATION OPTION**

In the event of the death of a shareholder, the repaid value of the shares will normally be added to the estate for probate purposes. You may (if you wish) elect to nominate a recipient for the value of the shares (but only up to £5,000) and thus (under current legislation) remove the value of the shares (up to £5,000) from your estate for probate purposes (but not for capital tax purposes). If you have any questions, you should seek independent advice.

## **WARNING AND DISCLAIMER**

You may lose the value of your investment. This Share Offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations. This means that you have no right of complaint to an ombudsman. A co-operative formed under the Industrial and Provident Societies Act 1965 is registered with but not authorised by the Financial Services Authority and therefore any money you invest is not safeguarded by a depositor protection scheme or dispute resolution scheme.

In the event Brixton Energy Solar 3 gets into financial difficulties:

- We may have to suspend your rights to withdraw your shares;
- We may have to write down the value of your shares;
- You may lose all the money you have paid for your shares.

***Can you afford to be without the money you pay for these shares? If not, you should not buy them. If you are in doubt about any information contained in this document, you should consult an Independent Financial Advisor under the Financial Services Act 1986, or you should seek advice from a solicitor or accountant.***

## **YOUR PROMISES TO US**

You promise that:

- Your cheque will be honoured on presentation;
- You, as an individual, are at least 16 years of age;
- You will supply us with proof of your identity and address if we ask for it (we may need this to comply with Money Laundering Regulations 2003); and
- You are a UK resident and/or a British citizen.

**A share application form is included with this document.**

**It can also be downloaded from [www.brixtonenergy.co.uk](http://www.brixtonenergy.co.uk)**

# 07. GLOSSARY

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**APPLICANT:** an applicant for Offer Shares through submission of an Application Form

**APPLICATION FORM:** the form in this Share Offer which must be completed and returned in accordance with the Terms and Conditions of this Share Offer and the Guidance Notes

**APPLICATION MONIES:** the total gross sum realised by this Share Offer

**BOARD:** the Board of Directors of Brixton Energy Solar 3

**REPOWERING:** Repowering was originally set up as a constituted voluntary group (known as Repowering South London) in September 2011 and has been formally registered as Repowering Ltd (32009-R) on 22nd March 2013.

**BRIXTON ENERGY SOLAR 3 (OR THE CO-OPERATIVE):** Brixton Energy Solar 3 Co-operative Limited which is registered with the Financial Services Authority (Registered No. 31958R)

**CLIMATE CHANGE:** the phrase widely used to describe changing weather patterns as a direct result of global warming

**COMMISSIONED:** Panels registered for Feed in Tariff and system in active service

**CO<sub>2</sub>:** Carbon dioxide, a natural gas emitted during the burning of fossil fuels and regarded as the main cause of global warming

**DIRECTORS:** the Directors of Brixton Energy Solar 3

**ANNUAL INTEREST PAYMENT:** in a co-operative society, a discretionary allocation of net profit paid to members.

**FIT:** Feed-in Tariff, an incentive for micro generation up to 5MW introduced by HM Government on 1st April 2010 under powers from the Energy Act 2008

**kW:** kilowatt, a unit that measures power and is equal to 1000 Watts

**kW<sub>p</sub>:** kilowatt peak, a unit that measures maximum power generated by the installation or a single panel

**kWh:** kilowatt hour, a unit that measures energy and is equal to the energy that can provide the power of 1 kW for the period of one hour

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**ROUPELL PARK RMC:** tenants, leaseholders and freeholders are collectively responsible for managing their homes

**ROUPELL PARK ESTATE:** is a complex of high and low rise buildings located in South West London owned by Lambeth Council

**OFFER COSTS:** The expenses incurred by or on behalf of Brixton Energy Solar 3 in issuing this Share Offer

**OFFER PERIOD:** The period during which the invitation to purchase shares pursuant to this Share Offer will remain open (including any extension) as set out in the timetable in this document

**OFFER SHARES:** New withdrawable shares in Brixton Energy Solar 3, offered at a par value of one pound (£1.00) each pursuant to the Terms and Conditions of the Share Offer and payable in full on application

**PHOTOVOLTAIC PANELS:** Panels which are able to convert sunlight into useful electrical energy for distribution into the electricity network

**PPA:** Power Purchase Agreement for the sale of electricity

**PROJECT:** the proposed ownership and operation by Brixton Energy Solar 3 of a 52.5kW photovoltaic array at the Roupell Park Estate, London SW2

**PROJECTIONS:** the financial projections for Brixton Energy Solar 3 set out in this Share Offer.

**RULES:** the Rules of Brixton Energy Solar 3, available on demand by using the contact details set out in this Share Offer

**SEIS:** Seed Enterprise Investment Scheme, a tax relief mechanism for eligible shareholders

**SHARE OFFER:** The Offer of Shares in Brixton Energy Solar 3 contained in this document

**SITE:** the location of the proposed solar array

**SOLAR ARRAY:** collection of photovoltaic panels connected in series to generate electricity

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